



Special Common Council Meeting

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190
*In Person and Virtual

Monday, April 20, 2026 - 6:00 PM

Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone.
Citizen participation is welcome during topic discussion periods.

Please click the link below to join the webinar:

Join: <https://teams.microsoft.com/meet/254480663517093?p=L8aexM64JkR57jXSQM>

Meeting ID: 254 480 663 517 093

Passcode: pk6Wt7TT

Dial in by phone

+1 929-229-5663,,403508619# United States,

Phone conference ID: 403 508 619#

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

A councilmember can choose to remove an item from the agenda or rearrange its order; however, introducing new items to the agenda is not allowed. Any proposed changes require a motion, a second, and approval from the Council to be implemented. The agenda shall be approved at each meeting even if no changes are being made at that meeting.

HEARING OF CITIZEN COMMENTS

No formal Council action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Council discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

CLOSED SESSION Adjourn to Closed Session, TO RECONVENE to OPEN SESSION, pursuant to Wisconsin Statutes Chapter 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and Wis. Stat. 19.86 Notice of Collective Bargaining Negotiations.

Items to be discussed:

- CS-1. Development Agreement for Stonehaven Development on Bluff Road- **Community Development**

CONSIDERATIONS

2. Discussion and Possible Action regarding the Development Agreement for Stonehaven Development on Bluff Road.- **Community Development**

Resolution

3. **2026-R-007** Resolution to approve borrowing from City of Whitewater Wastewater Utility for Stonehaven Development Project.- **Community Development**

ADJOURNMENT

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.

The City of Whitewater's strategic goals for 2026–2028 are: expanding single-family home development, strengthening community communication, supporting a thriving business community, increasing access to healthcare resources, improving staff recruitment and retention efforts, advancing transportation options, and prioritizing expenditures based on available resources.



Common Council Agenda Item

Meeting Date:	April 20, 2026
Agenda Item:	Memo re Stonehaven Development Agreement
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

BACKGROUND

(Enter the who, what when, where, why)

For several months, city staff have been working with Tim Vandeville of Stonehaven Development on a proposed concept to build 14 owner-occupied single-family homes on a currently undeveloped stretch of land along Bluff Rd. The developer has requested a unique form of TIF assistance which would include the creation of a short-term Revolving Loan Fund to support the project. Staff have proposed that the Common Council approve a short-term borrowing from the wastewater utility to fund the Revolving Loan Fund for this project, which the Finance Department has confirmed has enough fund balance to cover, while still leaving a reserve. The city’s financial advisors, Ehlers, have also stated that this form of internal borrowing is acceptable in the State of Wisconsin.

The developer’s goal with this is to utilize a modular home product which will allow construction at a more attainable price point than most new construction homes are currently available for in this market. The homes will be constructed in a way that will be essentially “move in ready”, with poured concrete basements, concrete driveways, and furnished appliances. Further, these will be offered at an attainable price point targeted at \$330,000 and not to exceed \$350,000, per the Development Agreement. Most new single-family detached homes in the City of Whitewater are listed for upper \$300,000’s or low \$400,000’s price points.

At the April 9, 2026 Common Council meeting, the agreement was reviewed. After discussion, the proposal was voted down, but the council asked staff to bring the agreement back along with a review of potential interest rate scenarios. The developer has agreed that an increased interest rate is acceptable.

Staff have worked to provide several scenarios under different interest rates, as the council requested. It is important to understand that the increased interest rate will need to be covered somehow. This could either be through a higher sale price of the homes, or the council could opt to have the difference in sale price covered by using fund balance from TID #11.

It is important to understand that the developer’s desire to close on the three privately owned parcels before the end of this month is not an artificial or arbitrary date. The developer will need to incur additional costs if the closing date is extended beyond the end of this month, including a loss of earnest money. The developer has also indicated that the private property owner is unwilling to grant another extension without closing.

On a side note, one council member inquired with staff about the status of soils on the site. To staff’s knowledge, and as far back as records reliably indicated, the land this development is planned for has never been developed. It has historically been used for farming. There is no known contamination on the site, and the Wisconsin DNR’s website at <https://dnrmapping.wi.gov/H5/?viewer=rrsites> confirms this. Further, Public Works Director Brad Marquardt shared the following:

“There was no mention of any unsuitable or hazardous material Bluff Road was realigned or when sanitary sewer or water main or storm sewer were installed going north/south across this property. Up until the late 1990’s Bluff Road was on a different alignment and from the old aerial photography, the land to the south of the old alignment was never developed.” (map image attached below)



As a reminder, the developer had Tanis Construction dig test holes on the site several months ago, and found bedrock depth was acceptable and found no evidence of other issues with the project site.

Following the April 9, 2026 Common Council meeting, Wisconsin Homes (the modular home manufacturer for this project) reached out and provided the letter that is also included in this meeting packet.

Staff view this project as relatively low risk for the city, and the Revolving Loan Fund concept will serve as something of a pilot program. If the program is successful, the city could choose to utilize it again in the future. If it is unsuccessful, the loan fund will be paid off and closed. Further, this development agreement includes several safe guards to protect the city’s financial interests, including a personal guarantee from the developer and a provision that allows the city to re-claim the parcels, should they not be developed.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- On August 19, 2025, the Common Council voted to approve the sale of the two CDA-owned parcels to Stonehaven Development
- The CDA board reviewed the proposed development project and recommended staff move forward with drafting a Development Agreement for future review by the CDA and Common Council at the December 18, 2025 regular board meeting
- The CDA was given an update on this project at the February 19, 2026 regular board meeting
- The developer’s requested rezoning and Comprehensive Plan Amendments on the properties were previously approved by both the PARC and the Common Council, with final approval given at the February 17, 2026 Common Council meeting
- The CDA recommended the Development Agreement to the Common Council for approval at the March 19, 2026 regular CDA board meeting

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- The Common Council voted to not approve the Development Agreement on April 9, 2026. Staff were asked to bring the agreement back for further review and discussion, with revised interest rate scenarios

FINANCIAL IMPACT
(If none, state N/A)

- The addition of much needed single-family owner-occupied housing will represent significant improvement to these currently undeveloped properties, two of which that are currently tax-exempt

STAFF RECOMMENDATION

- Staff recommend that the Common Council approve the Development Agreement with Stonehaven Development and the included Resolution.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

- Current Development Agreement draft
 - Resolution to Approve Development Agreement
 - Memo re developer's financial statement
 - Review from Ehlers
-
- Letter from Wisconsin Homes

DEVELOPMENT AGREEMENT
BETWEEN
CITY OF WHITEWATER, WISCONSIN
AND
STONEHAVEN DEVELOPMENT, LLC
1222, 1242, 1252, 1262, AND 1272 E BLUFF RD
WHITEWATER, WALWORTH COUNTY, WISCONSIN

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of the [REDACTED] day of [REDACTED], 20[REDACTED], by and among the City of Whitewater, a Wisconsin municipal corporation, (the “City”) and STONEHAVEN DEVELOPMENT, LLC, a Wisconsin limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, Developer currently has under contract parcels addressed at 1222, 1242, 1252, 1262, and 1272 E Bluff Road, Whitewater, Walworth County Wisconsin, located as described under Exhibit A attached hereto (the “Property”) (PIN: /A503200001, /A503200002, /A410100001, /A410100002, and /A410100003); and

WHEREAS, subject to obtaining the financial assistance set forth herein, Developer wishes to undertake development Stonehaven Project to include the division of the Property into 14 parcels (each, a “Lot”) and the construction of a single-family owner-occupied house on each Lot (the “Development Project”) as further described in Exhibit B attached hereto (the “Concept Plan”); and

WHEREAS, the City has created Tax Incremental Finance District No. #11 (the “TIF District”) as enabled under Wis. Ch. 66, which includes the Property; and

WHEREAS, Developer expects that the Development Project will increase the value of the Property and the TIF District and provide other tangible benefits to the surrounding neighborhoods and to the City as a whole; and

WHEREAS, the Development Project is consistent with the adopted project plan for the TIF District; and

WHEREAS, the City desires to encourage economic development including the elimination of slum and blight, expand its tax base, and create quality new residential units and new jobs within the City of Whitewater, the TIF District, and the Property; and

WHEREAS, the City finds that the construction of the Development Project and fulfillment, generally, of the terms and conditions of this Agreement, are in the vital and best interests of the

City and its residents, by serving public purposes in accordance with State and local law and further consistent with the City’s most recently adopted Project Plan for the TIF District (the “TID Plan”); and

WHEREAS, Developer has represented to the City, and, the City finds and determines that, but for the City’s commitment and willingness to consider financial assistance to Developer, the Development Project might not take place in the City and the City would not accomplish one or more of the objectives of the TID Plan; and

WHEREAS, the City is authorized to enter into contracts necessary and convenient to implement the purpose of the TIF District, for the purpose of implementing the TID Plan as provided in Wis. Stat. Section 66.0621; and

NOW THEREFORE, in consideration of the forgoing recitals, which are incorporated into and made a part of this Agreement, the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and the City hereby mutually agree as follows:

ARTICLE I PURPOSES-DEFINITIONS

Section 1.1. Purpose of Agreement. The parties have agreed upon a general plan for the Development Project. The purpose of this Agreement is to formalize and record the understandings and undertakings of the parties and to provide a framework within which the redevelopment of the land will take place.

Section 1.2. Definitions. The terms listed below shall be defined for the purposes of this Agreement as follows. All terms that are in upper case but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

1.2.1. “Agreement” means this Development Agreement, as the same may hereafter be from time to time modified, amended or supplemented in accordance with its terms.

1.2.2. “Base Value” means the full equalized base value of the Property as of January 1, 2025, and is agreed by the parties to be One Hundred Forty-Three Thousand Eight Hundred dollars (\$143,800.00).

1.2.3. “City” means the City of Whitewater, a Wisconsin municipal corporation. The City may also be referred to as the City of Whitewater.

1.2.4. “City Contribution” means the City’s financial support for the Project to be paid to Developer, as set forth in Section 4.4. below.

- 1.2.5.** “Developer” means Stonehaven Development, LLC and its successors and assigns.
- 1.2.6.** “Development Project” or “Project” means the division of the Property into 14 Lots and construction of a single-family house on each Lot, as generally shown on Exhibit B and as further described in Sections 2.1 and 2.2, below.
- 1.2.7.** “District Statutory Life” shall mean the maximum period of time the TIF District may remain in effect per the provisions of Wis. Stat. § 66.1105(6), as may be amended following the TIF Effective Date.
- 1.2.8.** “Incremental Value” means the full equalized base value of the Property as of January 1 of the current year minus the Base Value.
- 1.2.9.** “Plans and Specifications” means the plans and specifications for the Project to be prepared by Developer and approved by the City Plan Commission, City Architectural Review Commission and City Council, which shall generally be consistent with Exhibit B.
- 1.2.10.** “Project’s Tax Increment” shall mean the Tax Increment actually received by the City from taxes levied on the Property and as directly and exclusively attributable to increases in the improvement value by way of the Project.
- 1.2.11.** “Projected Value Increment” means Four Million Nine Hundred and no/100 dollars (\$4,900,000.00), which is expected tax value of the Property following completion of the Project.
- 1.2.12.** “Property” means the property identified as Parcel Identification Number /A503200001, /A503200002, /A410100001, /A410100002, and /A410100003 in the City of Whitewater, Walworth County, Wisconsin as described on Exhibit A.
- 1.2.13.** “Schedule” means the schedule prepared by the City pursuant to Section 3.9., below.
- 1.2.14.** “Site Plan” means the specific physical layout of the Property as shown on Exhibit B.
- 1.2.15.** “Tax Increment Value” means the amount by which the equalized value of real property of the Property on January 1 of the year following Developer’s receipt of an occupancy permit upon completion of the Development Project as determined by the City of Whitewater Assessor exceeds the Base Value established for the Property. The equalized value is calculated by taking the assessed value reported by the City of Whitewater Assessor that is certified by the State Department of Revenue times the aggregate ratio.
- 1.2.16.** “Tax Increment Revenue” means the real property tax revenue (as defined in Wis. Stat. § 66.1105(2)(i)) and generated by the Project’s Tax Increment Value.

- 1.2.17. “Term” means from **DATE** until the later of: (a) the date all Lots have been sold by Developer and (b) the date Developer has paid City all funds borrowed by Developer from the RLF Fund.
- 1.2.18. “TID # 11” means the Tax Incremental District No. 11 established by the City of Whitewater pursuant to Resolution No _____ on August 3, 2021 and recorded on _____.
- 1.2.19. “TID District” means Tax Incremental District No. 11 created by City Resolution on August 3, 2021, as a mixed-use district, as may be amended from time to time.
- 1.2.20. “Value” means full equalized fair market value of the real property.
- 1.2.21. “Zoning Code” or “Code” means Chapter 550 of the Code of Ordinances of the City of Whitewater.

ARTICLE II DESCRIPTION OF DEVELOPMENT

Section 2.1. Project Description. Upon the receipt of all necessary governmental approvals, Developer subdivide the parcels into a total of 14 lots and shall build a single-family, owner-occupied single story house on each Lot with each house having approximately 1,456 sq ft. of area, no later than 5 years from the date of this Agreement, as shown conceptually in Exhibit B. Each house will be a single-story unit, and include three bedrooms, two bathrooms, poured concrete basement, an attached two-car garage, poured concrete driveway, poured concrete patio, final grading with dirt and seed, and be furnished with standard appliances. The Project will be developed under more detailed Plans and Specifications approved by the City Plan Commission, City Architectural Review Commission and City Council.

Section 2.2. Project Cost. Developer shall construct the Project, at its sole cost, peril and expense in strict accordance with this Agreement and in strict conformity with all City ordinances, resolutions, policies, insurability or bondability requirements, and similarly applicable or impacted governmental regulations. The estimated cost to Developer of the Project (cost of design and construction (all taxes and incidentals, included)) projected upon Developer’s representations is to be **TWO HUNDRED NINETY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$293,500.00)** per single-family house constructed and Four Million One Hundred Nine Thousand and no/100 Dollars (\$4,109,000.00) in aggregate, which shall be generally consistent with Exhibit B. In order to induce Developer to undertake the Development Project, the City agrees to reimburse Developer for eligible site and predevelopment costs, as defined under Wis. Stat. § 66.1105(2)(f) such as capital expenditures and project costs that it makes on the Property for construction of improvements and certain other expenditures, ~~and including, without limitation,~~ those costs listed in Exhibit C attached hereto (the “Development Eligible Costs”), in an amount not to exceed Two Hundred Eighty-Seven Thousand Eight Hundred Dollars (\$287,800). Reimbursement shall occur

upon submission of paid invoices and verification by the City of the work being completed. Repayment shall be made utilizing existing fund balance from TID #11, or other sources of funding at the City's discretion.

Section 2.3. Sale Price Limitation. Developer covenants that no Lot shall be sold for a price exceeding Three Hundred Fifty Thousand Dollars (\$350,000), subject to Developer's right to increase the sale price of a Lot upon the discovery of Unexpected Lot Conditions (as defined below) in an amount to pay reasonable costs to remediate such Unexpected Lot Conditions. Developer further covenants that the sale price for each Lot shall be limited to: (a) the costs reported to the City and covered from the RLF Fund (as defined below) to construct the house, (b) a fee charged by Developer not to exceed \$20,000, and (c) a commission fee that shall not exceed 5% of the sale price of a Lot.

An "Unexpected Lot Conditions" shall mean unforeseen subsurface, concealed, or latent conditions on a Lot, including hazardous materials, underground storage tanks that significantly differ from what was known, reflected in existing data, expected from site investigation, or discoverable with reasonable due diligence. If Developer encounters any Unexpected Lot Conditions, Developer shall promptly notify City.

City acknowledges and agrees that Developer may engage an entity affiliated with Developer, Legacy Realty Group, LLC to market and sell the Lots and pay commissions to Legacy Realty Group, LLC in an amount not to exceed 5% of the sale price of a Lot.

Section 2.4. Project Value Increment. The parties presently estimate that following completion of the Project, the Property will have a Project Value Increment for real property tax purposes, as of January 1, 2030, of at least **FOUR MILLION NINE HUNDRED THOUSAND DOLLARS** (\$4,900,000.00). Developer shall use all reasonable and good faith efforts to substantially complete the Project's construction on or before December 31, 2028.

Section 2.5. Soil Condition Remediation. While Developer warrants and attests to having had test holes dug on the Property in Fall 2025, and finding nothing concerning such as bedrock, limestone, or similar conditions, City will pay additional incentives to Developer for any Lots where soil conditions cause additional expense for blasting, excavating or utility work to remediate such conditions, resulting in an additional amount to be reimbursed to the Developer, not to exceed the lesser of additional expense for blasting, excavating or utility work to remediate such conditions, \$10,000 per Lot, or a total for the Property not to exceed \$140,000.00. Reimbursement shall occur upon submission of paid invoices and verification by the City of the work being completed.

Section 2.6. Non-PAYGO Structure. The parties acknowledge and agree that this Agreement does not utilize a pay-as-you-go structure and does not involve a Municipal Revenue Obligation.

Section 2.7. Taxes. Developer covenants and agrees that, until time of sale of the Lot, it shall

pay in full all taxes levied on such Lot at the time said taxes are due. Failure to pay said taxes in a timely manner shall constitute an event of default as provided under Article 6, hereof, and such default may be made curable only upon the sole and exclusive discretion of the City and, then, only upon writing confirming as such and containing the signature of the City Manager and countersignature of the City Clerk.

Section 2.8. Use of the TIF Grant Proceeds. The proceeds of the City Contribution may be utilized for reimbursement of Development Eligible Costs, in furtherance of the development of the TIF District, as incurred by Developer. Developer agrees to maintain records of the costs and expenses it incurs in connection with the Project's development for at least seven (7) years following the month and year of the Project's substantial completion as solely and exclusively determined by the City. Subject to any reasonable confidentiality restrictions that Developer may desire, and which are permitted under Wisconsin law, Developer shall make such records available to the City upon the City's written request and to the public in compliance with Wis. Ch. 19 (Public Records law).

ARTICLE III UNDERTAKINGS OF THE DEVELOPER

Section 3.1. Development Developer shall build the Project as described in Sections 2.1 and 2.2, above.

Section 3.2. Intentionally Omitted.

Section 3.3. Plan Submission. Developer shall submit all plans and specifications and necessary documents to the City and State of Wisconsin as necessary to receive a building permit to construct the Project (the "Building Permit") on or before July 1, 2026.

Section 3.4. Design Standards. Developer shall incorporate high quality design and use of materials into the Project consistent with the Concept Plan contained in Exhibit B.

Section 3.5. Construction Commencement. Developer shall commence construction of the Project on or before August 1, 2026. Construction Commencement shall mean having obtained all necessary construction permits and having made substantial excavation for the foundations, footings or base of the new construction, except where the new construction is to be added to a substantial existing structure, in which case the commencement is the time of the beginning of substantial excavation or the time of the beginning of substantial preparation of the existing structure to receive the added new construction, whichever is earlier. This date shall be extended for any noticed Force Majeure consistent with Section 8.6.

Section 3.6. Construction Completion. Developer shall pursue construction activities on the Property and shall complete the Project, so as to obtain occupancy permits, by December 31, 2029. This date shall be extended for any noticed Force Majeure consistent with Section 8.6.

Section 3.7. Intentionally Omitted.

Section 3.8. Construction. Developer agrees to develop the Property and to construct all buildings and structures thereon in accordance with the Plans and Specifications, as filed and approved in final form by the City. However, during the progress of the Project, Developer may make changes to the Plans and Specifications as may be in furtherance of the general objectives of the Plans and Specifications and this Agreement and as site conditions or other issues of feasibility may dictate to further the Developer's development objectives; provided, however, any such change shall comply with all applicable laws of the City and Developer may not make any material change to the size, design or structure without the written consent of the City. The City agrees to consider and approve or reject any non-material proposed change within thirty (30) days after submittal by the Developer to the City or such consideration is deemed rejected. Such requests for approval shall be submitted to the City Clerk, as representative of the City.

Section 3.9. Project Estimates. The Tax Increment Value and Tax Increment Revenue projections delineated on the Schedule attached hereto as Exhibit E are projected to be generated from the Project, pursuant to the current TID District Plan and this Development Agreement. These projections are included for illustrative purposes only.

Section 3.10. Easements. Easements on the Property for municipally owned storm sewer, water mains, and sanitary sewer shall be granted to the City or its designee where necessary, by mutually agreed upon separate document or pursuant to a CSM, in accordance with detailed utility plans approved by the City Engineer, or designee.

Section 3.11. Intentionally Omitted.

Section 3.12. Property Maintenance. Developer agrees to make improvements to the Project as shown on Exhibit B in accordance with the approved Plans and Specifications. Developer agrees to maintain the Project in compliance with all federal, state and local laws, regulations or codes for as long as it owns the Property, but not less than the Term of this Agreement.

Section 3.13. Utility Connections. Developer will make connections to existing public water and sewer mains as needed in accordance with detailed utility plans approved by the City Engineer or designee, and according to City specifications. Developer agrees to repair all sidewalk, curb and gutter, and street and restore all landscape areas within the public right-of-way upon making those connections.

Section 3.14. Curb Cuts. Developer will remove curb cuts and aprons where existing driveways will not be utilized as part of the Project and replace the curb cut with a full curb section to match the existing curb detail. Developer will provide final grading with dirt and seed in the terraces upon apron removal. City, at City's sole expense, will plant trees in the terraces.

Section 3.15. Storm Sewer Repair. Developer will use due care when constructing near the

existing storm sewers. If at any time during Developer's ownership of the Property, or the Term of this Agreement the structure of the storm sewer is damaged by an improvement on the Property, Developer will restore the storm sewer so as to provide an adequate structure to allow anticipated use of the improvements without reducing the capacity of the storm sewer.

Section 3.16. Storm Water Management Facilities. Developer shall construct storm water management facilities in accordance with plans, specifications, and storm water management plan approved by the City Engineer or designee.

Section 3.17. Utility and Tax Payments. Developer shall promptly and timely pay all utility bills and its real property taxes levied against the Property when due through the latter of during Developer's ownership of the Property, or the termination of this Agreement.

Section 3.18. Personal Obligation. Developer's obligations hereunder shall be personal to Developer and shall not be assigned without the prior approval of the City per the provisions of Section 8.3., below.

Section 3.19. Developer Certification. Developer agrees not to seek tax exempt status for any portion of the Property or to convey any portion of the Property to an entity that at the time of conveyance would result in the Property qualifying for tax exempt status without the prior approval of the City per the provisions of Section 8.2., below.

Section 3.20. Restriction on Waste. Developer shall not cause a reduction in the real estate taxes payable on any of the Property through willful destruction of any improvements it makes on the Property.

Section 3.21. Developer's Cooperation. Developer agrees to work in good faith in assisting the City with applications for funds from state and federal agencies and private entities the City may seek to assist with development within the TID District and the City's obligations as described in Article 4 hereof.

Section 3.22. Deed Restrictions.

3.22.1 For purposes of this Section, Lot Owner shall mean a third party who has purchased a Lot developed under this agreement.

3.22.2 For purposes of this Section the Capped Sale Price shall be equal to (a) the original sale price the Lot Owner paid for the Lot (b) the cost of any capital improvements Lot Owner has made to the property since purchasing the property and (c) inflation of the house based upon the FHFA House Price index for Wisconsin since the original purchase and any capital improvements to the house.

3.22.3 Developer shall place a deed restriction upon the Property that requires each completed house on a Lot is owner occupied through December 31, 2041, and during the first five

years following the initial sale of a Lot, that if Lot Owner sells the Lot to a third party purchaser (the “Subsequent Sale”) and the sale price of the Subsequent Sale exceeds the Capped Sale Price, then at the closing of the Subsequent Sale, the Lot Owner shall pay City the difference between the actual sale price of the Subsequent Sale and the Capped Sale Price. For clarification purposes, the obligations of Developer under this paragraph are limited to recording the deed restriction described in this paragraph against the Property and Developer shall have no further obligations for monitoring or enforcing the deed restriction, and the City shall have the right to monitor and enforce the deed restriction.

Section 3.23. Personal Guarantee of Performance and Repayment. As a material inducement for the City to enter into this Agreement and to provide the City Financial Assistance described herein, Tim Vandeville Jr. and Amanda Vandeville (the “Guarantors”), being the principal owner(s), managing member(s), and/or controlling party(ies) of the Developer, shall jointly and severally execute a separate Personal Guarantee Agreement in favor of the City, in a form attached hereto as Exhibit G, contemporaneously with the execution of this Agreement.

The Personal Guarantee shall irrevocably and unconditionally guarantee:

1. **Performance Guarantee.** The full, timely, and faithful performance by the Developer of all material obligations under this Agreement, including, without limitation, completion of the Development Project in accordance with this Agreement and compliance with all sale price limitations, covenants, and restrictions set forth herein; and
2. **Financial Guarantee.** Repayment to the City of any amounts advanced through the Revolving Loan Fund, together with reimbursement of any City Financial Assistance that is subject to repayment under this Agreement, to the extent such amounts are not repaid from Lot sale proceeds or other project revenues.

The obligations of the Guarantor(s) under the Personal Guarantee shall be **absolute, continuing, and unconditional**, and shall not be released, reduced, or otherwise affected by:

- the insolvency, bankruptcy, dissolution, or reorganization of the Developer;
- any amendment to this Agreement approved by the City;
- the City’s exercise or failure to exercise any rights or remedies under this Agreement; or
- any sale, assignment, or transfer of the Property or the Development Project, unless expressly approved in writing by the City.

The Personal Guarantee shall remain in full force and effect until the earlier of: (a) full repayment of all Revolving Loan Fund advances and satisfaction of all financial obligations of the Developer to the City under this Agreement; or (b) such other written release approved by the Common Council, upon recommendation of the City Attorney and the City’s financial advisor.

ARTICLE IV UNDERTAKINGS OF THE CITY

Section 4.1. Appropriation. The City shall pay all funds appropriated for the performance of its obligations under this Agreement as described in this Article.

Section 4.2. City's Cooperation. The City shall reasonably cooperate with Developer throughout the implementation of the Development Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

Section 4.3. TID. The City has created TID #11 and adopted Res. No. ##### on DATE, authorizing the funds from TID #11 to support the Development Project at the Property.

Section 4.4. Payments from the City. The City Contribution under this Agreement is conditioned upon Developer's compliance with all its obligations under this Agreement.

- 4.4.1. Subject to all of the terms covenants and conditions of this Agreement, applicable provisions of Wisconsin Law, and as inducement by the City to Developer to encourage Developer to undertake the commitments as outlined in Article 2 above; the City shall provide financial support for the Project to Developer to reimburse the Development Eligible Costs (the "City Payment") in the total amount of TWO HUNDRED EIGHTY SEVEN THOUSAND EIGHT HUNDRED DOLLARS (\$287,800.00) City Contributions shall be made in compliance with Section 2.2 above.
- 4.4.2. The Common Council of the City has determined in its discretion that payment of said contribution to the Project costs is necessary to implement the goals of the TID Development Project Plan and is allowed under and pursuant to Section 66.1105 of the Wisconsin Statutes.
- 4.4.3. The City shall in any event not be required to fund this obligation for the City Payment from the general obligations of the City. The City's obligation under this Subparagraph (2) are a special and limited obligation subject to the City's borrowing or bonding authority. While the City declares that it does have a present intention of providing such funds for the City Payment, the City is not obligated to use any other source other than RFL Funds.
- 4.4.4. If the Developer does not meet the performance criteria as stated in Article 3 of this Agreement, the City is not obligated to make the City Payment to Developer until all such performance criteria in this Agreement are met. In the event that there is a deferral in the payment of the City Payment, any deferred portion of the City payment shall not accrue interest.

Section 4.5. Developer's Documentation. Upon request by the City, the Developer shall review with City personnel, and provide copies of original invoice documentation, and other documentation reasonably requested by the City, establishing to the reasonable satisfaction of the City that the Developer has incurred and paid Development Eligible Costs.

Section 4.6. Revolving Loan Fund. The City shall establish a short-term Revolving Loan Fund

(the “RLF Fund”) with terms substantially in compliance with Exhibit D in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00) at zero percent (0%) interest to finance the reimbursement of the Development Eligible Costs and the vertical construction of houses on the Lots. Funds may be drawn from the RLF Fund by Developer in accordance with reasonable procedures approved by the City. Net proceeds from the sale of each Lot shall be returned to the City and deposited back into the RLF Fund until all draws are fully repaid. The City is authorized to borrow funds necessary to provide the upfront reimbursement and capitalize the RLF Fund. Interim debt service may be supported by revenues of TID District No. 11, consistent with the Ehlers Analysis. The City reserves the right to pay off the loan in full at any time at its sole discretion.

Section 4.7. Fire Hydrant Relocation. The City, at the City’s sole cost, shall relocate the fire hydrant on Parcel No. /A503200001 to a location it determines appropriate and that will not interfere with the project development.

Section 4.8. Limited Obligation. Developer hereby acknowledges that any City Contribution, as evidenced by this Agreement, shall be a special and limited obligation of the City and not a general obligation. As a result of the special and limited nature of the City’s obligation to pay the City Contribution, Developer’s recovery of the full amount of the City Contribution depends on factors including, but not limited to, future mill rates, changes in the assessed value of a Development Project, the failure of the Development Project to generate the Tax Increment Revenue at the rate expected by Developer, changes in the Tax Increment Law, and other factors beyond the City’s and/or Developer’s control.

Section 4.9. City’s Covenants. City covenants to Developer that until the City Contribution has been paid in full, or a sum sufficient to pay off the City Contribution has been set aside to cover payment of the City Contribution, the City shall not close the TIF District prior to the end of the District’s Statutory Life. Upon the end of the District’s Statutory Life, or payment in full of (or a sum sufficient set aside to pay in full) the City Contribution, the City will be entitled to close the TIF District and no liability shall remain from the City to the Developer upon expiration of the TIF District.

Section 4.10. Lookback. The Parties understand that if the Development is successful then the RLF will be repaid sooner. Nonetheless, as a condition for providing the City’s Contribution, the Parties agree to a lookback review to ensure the Developer’s returns do not exceed a mutually agreed upon fee earned by the Developer as compensation for its work on the Development Project. Accordingly, upon the earlier of: (i) 5 years after the date that the last house constructed in the Development Project receives an occupancy permit; or (ii) the date that the last Lot is sold to a third party, the Developer shall provide the City with reasonable evidence in the form of financial records of the Developer’s net profit from any individual Lot have not exceeded \$20,000 plus 5% of the sale price in realtor fees for each Lot sold, subject to any reasonable confidentiality restrictions permitted under Wisconsin law. The lookback provision is limited to a single review

of each lot based on the above timing criteria; the City shall not require additional lookback reviews of the Development Project or future owners of the Property.

ARTICLE V COVENANTS RUNNING WITH THE LAND

Section 5.1. Covenants. This Agreement constitutes the entire Agreement between the Parties, and all provisions of this Agreement shall be deemed to be covenants running with the land described on Exhibit A and shall be binding upon successors and assigns for the Term of this Agreement.

ARTICLE VI REMEDIES

Section 6.1. Time of the Essence. Time is of the essence as to all dates under this Agreement.

Section 6.2. Event of Default. In the event any Party defaults under this Agreement, which default is not cured within thirty (30) days after written notice thereof to the defaulting Party or within such extended period required to cure the default, provided cure efforts are undertaken in good faith within the thirty (30) period and the defaulting Party is diligently pursuing such cure, the nondefaulting Party shall have all rights and remedies available under law or equity with respect to the default, except as otherwise set forth in this Agreement. In the event of any default by any Party in making a payment required to another Party, the cure period for such monetary default shall be ten (10) days after delivery of notice thereof. In addition, and without limitation, any of the Parties shall have the following specific rights and remedies following such notice and failure to cure:

- 6.2.1. Injunctive relief;
- 6.2.2. Action for specific performance; and
- 6.2.3. Action for money damages.
- 6.2.4. Recovery of the Property as detailed in Section 6.3, below.

Notwithstanding the foregoing, in no event may City exercise or seek any rights of injunction or specific performance for Developer's failure to commence the Project.

Section 6.3. Recovery of the Property.

- 6.3.1. If construction of a house does not commence on a Lot as provided in Section 3.5, the City shall have the right to acquire such Lot from the Developer for the purchase price Developer paid for such Lot, less any reimbursement provided by the City for the original purchase by Developer of such Lot. The

City shall exercise this right by providing notice to Developer within 90 days of the date provided in Section 3.5.

6.3.2. If construction of a house is not completed on a Lot as provided in Section 3.6, the City reserves the right to acquire such Lot from the Developer for the purchase price Developer paid for such Lot less any reimbursement provided by the City for the original purchase by Developer of such Lot plus the unreimbursed construction costs of Developer on such Lot on the date provided in Section 3.6. The City shall exercise this right by providing notice to Developer within 90 days of the date provided in Section 3.6.

Section 6.4. Reimbursement. Any amounts expended by the nondefaulting Party in enforcing this Agreement including reasonable attorneys' fees, together with interest provided for below, shall be reimbursed or paid to the nondefaulting Party which prevails in any such enforcement.

Section 6.5. Remedies are Cumulative. Except as specified in this Agreement, 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.

Section 6.6. Failure to Enforce Not Waiver. Failure to enforce any provision contained herein shall not be deemed a waiver of that Party's rights to enforce such provision or any other provision in the event of a subsequent default.

ARTICLE VII INSURANCE

Section 7.1. Developer, its contractors, lessees, successors and assigns, shall, during their occupancy or ownership of the Property, purchase or cause to be purchased and continuously maintained in effect, insurance against such risks, both generally and specifically, with respect to the private development, as are customarily insured against in developments of like size and character including, but not limited to: Casualty Insurance, Comprehensive General Liability Insurance, Physical Damage Insurance, Builders' Risk Insurance and all other forms of insurance reasonably required generally by the State of Wisconsin for entities such as the owner and any lessees from time to time during the construction and operation of the Property. Such insurance shall be maintained in amounts and with terms of coverage generally customary to such Property. Such insurance shall name City as an additional insured as its interest may appear, except on any policy of Liability Insurance.

Section 7.2. In the event the Property is damaged or partially or fully destroyed, Developer shall cause the insurance proceeds from such loss to be used to promptly repair and restore the Property to its original condition.

ARTICLE VIII

WRITTEN NOTICES AND MISCELLANEOUS

Section 8.1. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any Party to any other shall be in writing and sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

FOR THE CITY:

City of Whitewater
Office of the Finance & Administrative Services Director
312 W Whitewater St
P.O. Box 178
Whitewater, WI 53190
Attention: Rachelle Blich
RBlich@Whitewater-wi.gov

With a copy to:

City of Whitewater
City Attorney's Office
312 W Whitewater St.
P.O. Box 178
Whitewater, WI 53190
Attention: Attorney Steven T. Chesebro
schesebro@whitewater-wi.gov

TO THE DEVELOPER:

Stonehaven Development, LLC
797 Meadowgate Dr.
Waterford, WI 53185
Attention: Tim Vandeville Jr.
tim@stonehavendev.com

With a copy to:

Turke & Steil s.c.
613 Williamson St., Suite 201
Madison, WI 53703
Attention: Attorney Peter Turke
peter@turkelaw.com

Section 8.2. Restrictions of Sale, Transfer, Conveyance and Ownership. During the Term of this Agreement, neither Developer nor any future owner shall use, sell, transfer or convey ownership of any of the Property to any person or entity in any manner which would render all or

any part of the Property exempt from real property taxation, or would render the personal property located on any of the Property exempt from personal property taxation, without the prior written consent of the City. This obligation shall survive until the termination and closure of the TID District under this Agreement. In the event Developer receives an exemption from general real estate taxes, such may be deemed an event of default hereunder and City may exercise its rights under the Remedies clauses in Article 7 hereof. Developer shall execute and record deed restrictions effectuating this provision.

Section 8.3. Warranty of Developer; Non-Transferability. The City has entered into this Agreement with Developer, on the basis of the identity of the Members and Managers, and on the strength of their experience. Therefore, Developer hereby warrants and represents to the City that the Members and Managers of Developer are as shown on Exhibit F, attached hereto. During the Term, Developer may not change Members and Managers without the prior written consent of the City, which shall not be unreasonably denied, delayed or conditioned. During the Term, Developer shall not change management of the Property from the Members and Managers without the prior written consent of the City, which consent shall not be unreasonably withheld. Any prohibited transfers under this Section, which have been made without securing the prior written consent of the City shall be considered an event of Default hereunder. In any event, any permitted or subsequent transferee hereunder must agree to be bound by the terms of this Development Agreement.

Section 8.4. Non-Discrimination Agreement. The Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased or used by any Party in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, religion, marital status, age, handicap, or national origin and that construction, redevelopment, improvement, and operation of the Development shall be in compliance with all effective laws, ordinances and regulations relating to discrimination or any of the foregoing grounds.

Section 8.5. No Third-Party Beneficiaries. This Agreement is made solely for the benefit of the Parties hereto and their permitted assignees, and no other Party shall acquire or have any rights under this Agreement or by virtue of this Agreement.

Section 8.6. Force Majeure. As used herein, the term “Force Majeure” shall mean any accident, breakage, war, insurrection, civil commotion, riot, act of terror, act of God or the elements, governmental action (except for governmental action by the City with respect to obligations of the City under this Agreement), alteration, strike or lockout, picketing (whether legal or illegal), inability of a Party or its agents or contractors, as applicable, to obtain fuel or supplies, unusual weather conditions, or any other cause or causes beyond the reasonable control of such Party or its agents or contractors, as applicable. No Party to this Agreement shall be in default hereunder for so long as such Party or its agents and contractors, if applicable, are prevented from performing any of its obligations hereunder due to a Force Majeure occurrence. Any party alleging Force Majeure has delayed its performance of obligations shall provide notice to the other party within

30 days of the events begging to cause delay and shall include in that notice an estimate on the anticipated amount of delay. The party shall then provide a second notice confirming the actual length of delay, the second notice shall be provided no later than 15 days after the anticipated end of the delay detailing the actual amount of the delay caused by the Force Majeure.

Section 8.7. Law Governing. The laws of the State of Wisconsin shall govern this Agreement. In the event of a dispute involving this Agreement, the Parties agree that venue shall be in Walworth County, Wisconsin, Circuit Court.

Section 8.8. Execution in Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 8.9. Amendment. This Agreement may be rescinded, modified or amended, in whole or in part, by mutual agreement of the Parties hereto, their successors and/or assigns, in writing signed by all Parties.

Section 8.10. Severability of Provisions. If any provision of this Agreement shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision or provisions of this Agreement or any constitution or statute or rule of public policy, or for any other reason, then such 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 invalid, inoperative, or unenforceable to any extent whatever. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of the City, including, but not limited to, their powers under the Tax Increment Law, § 66.1105, Wis. Stats., to achieve its intended purpose.

Section 8.11. Recording and Survival. The City shall record this Agreement against the Property with the Register of Deeds for Walworth County, at the Developer's expense. All the terms and conditions of this Agreement shall survive the execution of this Agreement and the making of grants hereunder. This Agreement shall run with the land and be binding upon Developer and all of Developer's successors in interest. Every reference to Developer herein shall be a reference to Developer and all of Developer's successors in interest, including tax-exempt entities. This Agreement shall expire on the expiration of the Term, as defined above.

Section 8.12. Reservation of Rights. Nothing in this Agreement shall be construed to be a waiver or modification of the governmental immunities or notice requirements imposed by Wis. Stat. § 893.80 or any other law.

Section 8.13. Vested Rights. Except as provided by law, or as expressly provided in the Agreement, no vested rights to develop the Project shall inure to Developer by virtue of this Agreement. Nor does the City warrant that Developer is entitled to any other approvals required for the construction of the Project as a result of this Agreement.

Section 8.14. Recitals. The representations and recitations set forth in Recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this paragraph, subject to all of the terms and conditions in the balance of this Agreement.

Section 8.15. Construction. The Parties acknowledge and represent that this Agreement has been the subject of negotiation by all Parties and that all Parties together shall be construed to be the drafter hereof and this Agreement shall not be construed against any Party individually as drafter.

Section 8.16. Representation. The Developer acknowledges that it has either had the assistance of legal counsel in the negotiation, review, and execution of this Agreement, or has voluntarily waived the opportunity to do so; that it has read and understood each of this Agreement's terms, conditions, and provisions, and their effects; and that it has executed this Agreement freely and not under conditions of duress.

Section 8.17. Authority. The individuals executing this Agreement on behalf of the Developer warrant and represent that they are duly authorized to bind the Developer to this Agreement. Developer warrants and represents that the execution of this Agreement is not prohibited by the Developer's articles of incorporation, by-laws, operating agreement, or other internal operating orders, or by any applicable law, regulation or court order. Developer shall provide proof upon request.

Section 8.18. Indemnification. Subject to the limitation described herein and except for any misrepresentation or any misconduct of any of the indemnified Parties, Developer and or its contractors shall indemnify, save harmless and defend the City and its respective officers, agents, and employees from and against any and all liability, suits, actions, claims, demands, losses, costs, damages, and expenses of every kind and description, including reasonable attorney costs and fees, for claims of any kind including liability and expenses in connection with the loss of life, personal injury or damage to property, or any of them brought (i) because of any Default or (ii) because of any injuries or damages received or sustained by any persons or property on account of or arising out of the construction and/or operations of the Project and the Property to the extent caused by the negligence or willful misconduct on Developer's part or on the part of its agents, contractors, subcontractors, invitees or employees, at any time. This Section shall survive termination of this Agreement.

Section 8.19. Term. This Agreement shall continue in full force and effect until such time as Developer's obligations under this Agreement have been fully satisfied, at which point this Agreement shall terminate and be of no further force or effect. At that time, if this Agreement has been recorded the parties shall jointly execute and record a release of the Agreement.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

CITY OF WHITEWATER:

BY: _____
John Weidl, City Manager

ATTEST:

BY: _____
Heather Boehm, City Clerk

AUTHENTICATION

Signature(s) John Weidl, City Manager and Heather Boehm, City Clerk, authenticated this ____ day of Month, Year.

Attorney Steven T. Chesebro
Title: Member State Bar of Wisconsin

I hereby certify that the necessary funds have been provided to pay the liability incurred by the City of Whitewater on the within Agreement.

Rachelle Blich
Finance & Administrative Services Director

APPROVED AS TO FORM:

Steven T.
Chesebro
City
Attorney

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
CONCEPT PLAN

EXHIBIT C
ELIGIBLE SITE DEVELOPMENT COSTS

Land Acquisition
Surveys
Certified Survey Maps
Subdivision Plat
Due Diligence, Design
Attorneys' Fees
Delivery Services
Construction Phase
Permits/City Fees
Water Cuts Across Street
Impact Fees/Park Fees

EXHIBIT D
REVOLVING LINE OF CREDIT AGREEMENT

REVOLVING LINE OF CREDIT AGREEMENT

ARTICLE I. DEFINITIONS

Section 1.1. Defined Terms

As used in this Agreement, the following terms shall have the meanings set forth below:

"Advance" means any loan or advance made by City to Developer under this Agreement.

"Agreement" means this Revolving Line of Credit Agreement, as it may be amended, supplemented, or otherwise modified from time to time.

"Applicable Law" means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

"Approved Construction Invoice" means an invoice for construction costs that (i) is consistent with the Construction Budget set forth in Exhibit A and (ii) complies with the requirements set forth in Section 2.3 of this Agreement.

"Business Day" means any day other than a Saturday, Sunday or Holiday recognized by the City and on which the City is closed.

"City" means City of Whitewater, a Wisconsin Municipal Corporation.

"Closing Date" means the date of this Agreement.

"Collateral" means all property and interests in property now owned or hereafter acquired by Developer that is subject to the Liens granted to City pursuant to any Loan Document.

"Construction Budget" means the detailed budget for the construction of houses on the Property, as set forth in Exhibit A attached hereto, which shall include line items for all costs associated with the acquisition, development, and construction of the Property.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Developer" means Stonehaven Development, LLC a Wisconsin limited liability company and its successors and assigns.

"Event of Default" has the meaning specified in Section 7.1.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever.

"Loan Documents" means, collectively, this Agreement, the Note, the Mortgage, and all other agreements, instruments, and documents executed in connection with this Agreement.

"Lot" means the 14 parcels of the Property following the division of the Property by Developer.

"Maximum Credit Amount" means One Million Two Hundred Thousand Dollars (\$1,200,000).

"Mortgage" means any mortgage, deed of trust, or similar instrument executed by Developer in favor of City, encumbering the Property to secure the Obligations.

"Note" means the promissory note executed by Developer in favor of City evidencing the Advances made by City, substantially in the form of Exhibit B attached hereto.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, Developer arising under any Loan Document, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"Payment Date" means the day on which any Lot is sold by Developer.

"Person" means any individual, corporation, partnership, limited liability company, cooperative, association, joint stock company, trust, joint venture, unincorporated organization or other entity.

"Property" means the property identified as Parcel Identification Number /A503200001, /A503200002, /A410100001, /A410100002, and /A410100003 in the City of Whitewater,

Walworth County, Wisconsin as described on Exhibit C attached hereto as well as any lots the parcels are subdivided into.

"Sale Proceeds" means the gross proceeds received by Developer from the sale of a Lot, less reasonable and customary closing costs and expenses.

"Standard Rate" means the rate of interest per annum which shall be 6.75%.

Section 1.2. Other Interpretive Provisions

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

- a. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise,
 - i. any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified,
 - ii. any reference herein to any Person shall be construed to include such Person's successors and assigns,
 - iii. the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof,
 - iv. all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear,
 - v. any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and
 - vi. the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.
- b. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

- c. Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

ARTICLE II. THE REVOLVING LINE OF CREDIT

Section 2.1. Revolving Line of Credit

- a. Subject to the terms and conditions set forth herein, City agrees to make Advances to Developer from time to time during the period from the Closing Date to July 1, 2030 (the “Maturity Date”), in an aggregate principal amount at any time outstanding not to exceed the Maximum Credit Amount; provided, however, that at no time shall there be more than four (4) Lots that are subject to active construction financing under this Agreement. Within the foregoing limits and subject to the terms and conditions set forth herein, Developer may borrow, prepay and reborrow under this revolving line of credit.
- b. To request an Advance, Developer shall notify City of such request in writing not later than 11:00 a.m., CST, two (2) weeks before the date of the proposed Advance. Each such written request shall specify
 - i. the amount of the Advance,
 - ii. the requested date of the Advance (which shall be a Business Day),
 - iii. the Lot for which the Advance is requested,
 - iv. a description of the construction costs to be paid with the proceeds of the Advance which shall be within the Construction Budget for the single family home on the Lot,
 - v. Copies of all invoices associated with the construction costs to be covered by the Advance,
 - vi. Receipts or waivers of construction lien for the work completed, and
 - vii. If no waivers are provided, payments must be made directly to invoicing company.
- c. Promptly following receipt of a request for an Advance in accordance with this Section, if all conditions precedent set forth in Section 2.3 have been satisfied, City shall make such Advance to Developer by check made payable to Developer and/or the invoicing company or companies.

Section 2.2. Note; Interest; Payments

- a. The Advances made by City shall be evidenced by the Note. The Note shall be dated as of the Closing Date and shall be payable to the order of City in the principal amount of the Maximum Credit Amount.
- b. Each Advance shall bear no interest on the outstanding principal amount thereof from the date such Advance is made until the earlier of July 1, 2030 or the date on which ownership of the Lot identified in the request for Advance is transferred from Developer to a third party. Should the City not receive payment of the Advance within seven (7) days of transfer of ownership to a third party, interest on the Advance shall begin to accrue at the rate of 12% per annum. Interest shall be calculated on the basis of a year of 365 days and the actual number of days elapsed. Interest shall be payable monthly in arrears on each Payment Date, commencing with the first Payment Date following the date of the initial Advance.
- c. The entire outstanding principal balance of all Advances, together with all accrued and unpaid interest thereon, shall be due and payable in full on the Maturity Date.
- d. Developer may prepay any Advance in whole or in part at any time without premium or penalty. Any prepayment shall be applied first to accrued interest and then to principal.
- e. Upon the sale of a Lot, Developer shall apply the Sale Proceeds to repay all Advances made for the acquisition, development, and construction of such Lot, together with all accrued interest thereon. If the Sale Proceeds are insufficient to repay all such Advances in connection with a Lot and accrued interest, Developer shall pay the deficiency to City within five (5) Business Days after the closing of the sale of such Lot. Provided an Event of Default has not occurred and is continuing, to facilitate a sale of a Lot and allow Developer to provide title insurance for a third party buyer of a Lot, City agrees to execute and deliver a partial release of the Mortgage to release the lien of the Mortgage against the Lot being sold.

Section 2.3. Conditions to Advances

- a. The obligation of City to make the initial Advance is subject to the satisfaction of the following conditions:
 - i. City shall have received each of the following, each in form and substance reasonably satisfactory to City:
 - 1. executed counterparts of this Agreement and each other Loan Document;
 - 2. the Note, duly executed by Developer;
 - 3. a Mortgage for the Property for which financing is initially requested, duly executed by Developer and properly recorded in the appropriate real property records;
 - 4. evidence of insurance as required by Section 5.5;
 - 5. a title insurance policy (or a marked, signed and redated commitment to issue such policy) insuring City's interest under the Mortgage as a valid first priority lien on the applicable Lot, subject only to such exceptions as City may approve, and containing such endorsements as City may require;

6. a survey of each Property for which financing is initially requested, prepared by a licensed surveyor acceptable to City;
 7. evidence that all taxes, assessments, and other charges relating to each Property for which financing is initially requested have been paid in full;
 8. the Construction Budget for the Property, in the form attached hereto as Exhibit A;
 9. copies of all building permits and other governmental approvals required for the construction of improvements on each Property for which financing is initially requested;
 10. copies of all construction contracts relating to each Property for which financing is initially requested; and
 11. such other documents, instruments, and agreements as City may reasonably request.
- ii. No Default or Event of Default shall exist or would result from the making of the Advance.
 - iii. The representations and warranties of Developer contained in Article IV shall be true and correct on and as of the date of the Advance.
- b. The Obligation of City to make each subsequent Advance is subject to the satisfaction of the following conditions:
- i. City shall have received each of the following, each in form and substance satisfactory to City:
 1. a written request for the Advance as required by Section 2.1(b);
 2. Approved Construction Invoices for all costs to be paid with the proceeds of the Advance;
 3. a title date-down endorsement to the title insurance policy for the applicable Lot, showing no liens or encumbrances other than those approved by the City;
 4. lien waivers from all contractors, subcontractors, and material suppliers who have performed work or supplied materials for the applicable Lot since the last Advance;
 5. a report from City's construction consultant confirming that the work for which payment is requested has been completed in accordance with the approved plans and specifications; and
 6. such other documents, instruments, and agreements as City may reasonably request.
 - ii. No Default or Event of Default shall exist or would result from the making of the Advance.
 - iii. The representations and warranties of Developer contained in Article IV shall be true and correct on and as of the date of the Advance.
 - iv. The number of Lots subject to active construction financing under this Agreement shall not exceed four (4) at any given time, with the exception that should bedrock, limestone, or similar conditions need to be remediated from the Property, an Advance shall be provided for the total cost of remediation of such bedrock, limestone, or similar

- conditions from the Property not to exceed the amount of \$10,000 per Lot which has bedrock, limestone, or similar conditions remediated.
- v. The total amount of all Advances for each Lot, including the requested Advance, shall not exceed the total amount budgeted for such lot in the attached Development Agreement between the City and Developer or Construction Budget.
 - c. Each request for an Advance shall constitute a representation and warranty by Developer that the conditions specified in Sections 2.3(a) and (b), as applicable, have been satisfied on and as of the date of the applicable Advance.

Section 2.4. Use of Proceeds

Developer shall use the proceeds of the Advances solely to pay for costs and expenses incurred in connection with the acquisition, development, and construction of the Property, as set forth in the Construction Budget for the Property. Developer shall not use the proceeds of any Advance for any purpose other than payment of Approved Construction Invoices.

ARTICLE III. SECURITY

Section 3.1. Grant of Security Interest

As security for the payment and performance of the Obligations, Developer hereby grants to City a continuing security interest in, and a right to set off against, any and all right, title and interest of Developer in and to all of the following, whether now owned or hereafter acquired by Developer: (a) the Property; (b) all building materials and other personal property located on or intended to be incorporated into the Property; (c) all plans, specifications, permits, licenses, contracts, and other documents relating to the construction of improvements on the Property; (d) all proceeds of the sale of any Lot; and (e) all proceeds of the foregoing.

Section 3.2. Further Assurances

At any time and from time to time, upon the request of City, and at the sole expense of Developer, Developer shall promptly execute and deliver all such further instruments and documents and take such further action as City may reasonably deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

Developer represents and warrants to City that:

Section 4.1. Existence, Qualification and Power

Developer (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a material adverse effect.

Section 4.2. Authorization; No Contravention

The execution, delivery and performance by Developer of each Loan Document to which it is a party have been duly authorized by all necessary action, and do not and will not (a) violate any provision of any law or any governmental rule or regulation applicable to Developer, any of the organizational documents of Developer, or any order, judgment or decree of any court or other agency of government binding on Developer; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation of Developer; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Developer (other than Liens created under any of the Loan Documents in favor of City); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any contractual obligation of Developer, except for such approvals or consents which have been obtained on or before the Closing Date.

Section 4.3. Governmental Authorization; Other Consents

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Developer of any Loan Document to which it is a party.

Section 4.4. Binding Effect

Each Loan Document to which Developer is a party has been duly executed and delivered by Developer and constitutes a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

Section 4.5. Financial Statements; No Material Adverse Effect

- a. The financial statements of Developer most recently delivered to City fairly present the financial condition of Developer as of the date thereof and the results of operations of Developer for the period covered thereby in accordance with consistently applied accounting principles.
- b. Since the date of the most recent financial statements of Developer delivered to City, to the knowledge of Developer, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a material adverse effect on the business, assets, operations, or condition (financial or otherwise) of Developer.

Section 4.6. Litigation

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of Developer, threatened, at law, in equity, in arbitration or before any Governmental Authority, by or against Developer or against any of its properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate, if determined adversely, could reasonably be expected to have a material adverse effect.

Section 4.7. No Default

No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 4.8. Ownership of Property; Liens

Developer has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, including the Property, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect. The property of Developer is subject to no Liens, other than Liens permitted by Section 6.1.

Section 4.9. Environmental Compliance

To the knowledge of Developer, Developer and the Property are in compliance with all applicable federal, state and municipal laws and regulations of an environmental nature, except to the extent that the failure to comply therewith could not reasonably be expected to have a material adverse effect.

Section 4.10. Insurance

The properties of Developer are insured with financially sound and reputable insurance companies not affiliates of Developer, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in

localities where Developer operates.

Section 4.11. Taxes

Developer has filed all federal, state and other material tax returns and reports required to be filed, and has paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles.

Section 4.12. Construction Budget

The Construction Budget for each Lot is complete and accurate and includes all costs and expenses necessary to complete the construction of the improvements on the Property in accordance with the plans and specifications previously approved by City.

ARTICLE V. AFFIRMATIVE COVENANTS

Section 5.1. Financial Statements

Subject to any reasonable confidentiality restrictions that Developer may desire, and which are permitted under Wisconsin law, so long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall deliver to City, in form and detail reasonably satisfactory to City:

- a. as soon as available, but in any event within 90 days after the end of each fiscal year of Developer, a balance sheet of Developer as at the end of such fiscal year, and the related statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, all in reasonable detail by an independent certified public accountant reasonably acceptable to City;
- b. as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Developer, a balance sheet of Developer as at the end of such fiscal quarter, and the related statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal quarter and for the portion of Developer's fiscal year then ended, all in reasonable detail, certified by a responsible member or manager of Developer as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of Developer, subject only to normal year-end audit adjustments and the absence of footnotes;

- c. as soon as available, but in any event within 30 days after the end of each month, a report on the status of construction of each Lot, including a comparison of actual costs incurred to the Construction Budget and a projection of costs to complete; and
- d. promptly, such additional information regarding the business, financial or corporate affairs of Developer, or compliance with the terms of the Loan Documents, as City may from time to time reasonably request.

Section 5.2. Notices

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall promptly notify City:

- a. of the occurrence of any Default or Event of Default;
- b. of any matter that has resulted or could reasonably be expected to result in a material adverse effect, including (i) breach or non-performance of, or any default under, a contractual obligation of Developer; (ii) any dispute, litigation, investigation, proceeding or suspension between Developer and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting Developer;
- c. of the occurrence of any ERISA Event;
- d. of any material change in accounting policies or financial reporting practices by Developer; and
- e. of any material change in the status of construction of any Lot, including any delay in construction, any change in the plans or specifications, or any change in the Construction Budget.

Each notice pursuant to this Section shall be accompanied by a statement of a responsible member or manager of Developer setting forth details of the occurrence referred to therein and stating what action Developer has taken and proposes to take with respect thereto.

Section 5.3. Payment of Obligations

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall pay and discharge as they become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with generally accepted accounting principles are being maintained by Developer; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all indebtedness under the Obligation (“Indebtedness”), as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Section 5.4. Preservation of Existence, Etc.

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall:

- a. Preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization;
- b. Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a material adverse effect; and
- c. Preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a material adverse effect.

Section 5.5. Maintenance of Properties; Insurance

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall:

- a. Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted;
- b. Make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a material adverse effect; and
- c. Maintain with financially sound and reputable insurance companies not affiliates of Developer, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, including, without limitation, (i) builder's risk insurance on each Property in an amount not less than the total cost of construction as set forth in the Construction Budget, (ii) liability insurance, and (iii) flood insurance, if any Property is located in a flood hazard area. Each such policy of insurance shall name City as an additional insured and loss payee.

Section 5.6. Compliance with Laws

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall comply in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a material adverse effect.

Section 5.7. Books and Records

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall:

- a. Maintain proper books of record and account, in which full, true and correct entries shall be made of all financial transactions and matters involving the assets and business of Developer; and
- b. Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over Developer.

Section 5.8. Inspection Rights

Subject to any reasonable confidentiality restrictions that Developer may desire, and which are permitted under Wisconsin law, so long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall:

Permit representatives and independent contractors of City to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Developer; provided, however, that when an Event of Default exists City (or any of its representatives or independent contractors) may do any of the foregoing at the expense of Developer at any time during normal business hours and without advance notice.

Section 5.9. Construction of Improvements

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall:

- a. Commence construction of the improvements on each Property within 30 days after the initial Advance for such Property and diligently pursue such construction to completion in accordance with the plans and specifications approved by City;
- b. Cause all work to be performed in a good and workmanlike manner, in accordance with all applicable laws, ordinances, rules, regulations, and requirements of all Governmental Authorities having jurisdiction over the Property; and
- c. Subject to any reasonable confidentiality restrictions that Developer may desire, and which are permitted under Wisconsin law, permit City and its representatives to enter upon each Property at all reasonable times to inspect the work and materials and to examine all detailed plans and shop drawings which are or may be kept at the construction site.

ARTICLE VI. NEGATIVE COVENANTS

Section 6.1. Liens

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

- a. Liens pursuant to any Loan Document;
- b. Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with generally accepted accounting principles;
- c. carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person; and
- d. easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person.

Section 6.2. Indebtedness

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly create, incur, assume or suffer to exist any Indebtedness, except Indebtedness under the Loan Documents and the promissory note between Developer, as borrower, and Legacy Realty Group, LLC, as lender, dated _____ in the principal amount of One Hundred Seventy-Five Thousand and 00/100 Dollars (\$175,000.00) (the "Legacy Realty Promissory Note"). City acknowledges receipt of a copy of the Legacy Realty Promissory Note.

Section 6.3. Fundamental Changes

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly merge, dissolve, liquidate, consolidate with or into another Person, or any Disposition of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person. As used in this Agreement, "Disposition" shall mean the sale, disposal, assignment, or

transfer of an asset, including without limitation, real or personal property.

Section 6.4. Dispositions

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly make any Disposition or enter into any agreement to make any Disposition, except:

- a. Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;
- b. Dispositions of inventory in the ordinary course of business; and
- c. Dispositions of Lots in the ordinary course of Developer's business, provided that (i) the Sale Proceeds are applied as required by Section 2.2(e), and (ii) no Default or Event of Default exists or would result from such Disposition.

Section 6.5. Change in Nature of Business

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly engage in any material line of business substantially different from those lines of business conducted by Developer on the date hereof or any business substantially related or incidental thereto.

Section 6.6. Transactions with Affiliates

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly enter into any transaction of any kind with any affiliate of Developer, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Developer as would be obtainable by Developer at the time in a comparable arm's length transaction with a Person other than an affiliate. Notwithstanding anything to the contrary in this paragraph, City acknowledges and agrees that Developer may enter into agreements with an affiliated realtor that requires payment to such affiliated realtor of a commission fee that shall not exceed 5% of the sale price of a Lot.

Section 6.7. Use of Proceeds

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly use the proceeds of any Advance, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

Section 6.8. Intentionally Omitted

Section 6.9. Changes to Construction Budget

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly make or permit to be made any changes to the Construction Budget for any Property without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6.10. Changes to Plans and Specifications

So long as any Advance or other Obligation hereunder shall remain unpaid or unsatisfied, Developer shall not, directly or indirectly make or permit to be made any changes to the plans and specifications for the improvements on any Property without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default

Any of the following shall constitute an “Event of Default”:

- a. **Non-Payment.** Developer fails to pay, within ten (10) days after receipt of written notice from City, of any amount of principal of any Advance, any interest on any Advance, or any fee due hereunder; or
- b. **Other Defaults.** Developer fails to perform or observe any other covenant or agreement (not specified in subsection (a) above) contained in any Loan Document on its part to be performed or observed within thirty (30) days after written notice thereof to Developer or within such extended period required to cure the default, provided cure efforts are undertaken in good faith within the thirty (30) period and Developer is diligently pursuing such cure; or
- c. **Representations and Warranties.** Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of Developer herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be materially incorrect or materially misleading when made or deemed made; or
- d. **Insolvency Proceedings, Etc.** Developer institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is

appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

- e. Inability to Pay Debts; Attachment. (i) Developer becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of Developer and is not released, vacated or fully bonded within 30 days after its issue or levy; or
- f. Judgments. There is entered against Developer (i) one or more final judgments or orders for the payment of money, or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or
- g. Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or Developer or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or Developer denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document.

Section 7.2. Remedies Upon Event of Default

If any Event of Default occurs and is continuing, City may take any or all of the following actions:

- a. Declare the commitment of City to make Advances to be terminated, whereupon such commitment shall be terminated;
- b. Declare the unpaid principal amount of all outstanding Advances, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Developer;
- c. Exercise all rights and remedies available to it under the Loan Documents or applicable law; and

- d. Take possession of each Lot (not previously sold to a third party and released by the City) and complete the construction of the improvements thereon, in which event City may expend such sums as it deems proper to complete such construction, and all amounts so expended by City shall be deemed to be Advances made to Developer under this Agreement and shall be secured by the Loan Documents.

Section 7.3. Application of Funds

After the exercise of remedies provided for in Section 7.2 (or after the Advances have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by City in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts payable to City;

Second, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Advances;

Third, to payment of that portion of the Obligations constituting unpaid principal of the Advances; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Developer or as otherwise required by law.

ARTICLE VIII. MISCELLANEOUS

Section 8.1. Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Developer therefrom, shall be effective unless in writing signed by City and Developer, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8.2. Notices; Effectiveness; Electronic Communication

- a. Notices Generally. Except as provided in subsection (b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

- i. If to Developer**

Stonehaven Development, LLC
797 Meadowgate Dr.
Waterford, WI 53185
Attention: Tim Vandeville Jr.
tim@stonehavendev.com

With a copy to:
Turke & Steil s.c.
613 Williamson St., Suite 201
Madison, WI 53703
Attention: Attorney Peter Turke
peter@turkelaw.com

ii. If to City,

City of Whitewater
Office of the Finance & Administrative Services Director
312 W Whitewater St
P.O. Box 178
Whitewater, WI 53190
Attention: Rachelle Blicht
RBlicht@Whitewater-wi.gov

With a copy to:
City of Whitewater
City Attorney's Office
312 W Whitewater St.
P.O. Box 178
Whitewater, WI 53190
Attention: Attorney Steven T. Chesebro
schesebro@whitewater-wi.gov

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by electronic mail shall be deemed to have been given when sent.

- b. Change of Address, Etc. Each of Developer and City may change its address, electronic mail or telephone number for notices and other communications hereunder by notice to the other party hereto.

Section 8.3. No Waiver; Cumulative Remedies; Enforcement

No failure by City to exercise, and no delay by City in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.4. Expenses; Indemnity; Damage Waiver

- a. **Costs and Expenses.** Developer shall pay all out-of-pocket expenses incurred by City (including the fees, charges and disbursements of any counsel for City), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Advances made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances.
- b. **Indemnification by Developer¹.** Subject to the limitation described herein and except for any misrepresentation or any misconduct of any of the indemnified Parties, Developer and or its contractors shall indemnify, save harmless and defend the City and its respective officers, agents, and employees from and against any and all liability, suits, actions, claims, demands, losses, costs, damages, and expenses of every kind and description, including reasonable attorney costs and fees, for claims of any kind including liability and expenses in connection with the loss of life, personal injury or damage to property, or any of them brought (i) because of any Event of Default or (ii) because of any injuries or damages received or sustained by any persons or property on account of or arising out of the construction and/or operations of the Project and the Property to the extent caused by the negligence or willful misconduct on Developer's part or on the part of its agents, contractors, subcontractors, invitees or employees, at any time. This Section shall survive termination of this Agreement.
- c. **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by applicable law, Developer shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof.
- d. **Payments.** All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

¹ Note to draft: this indemnification provision matches the indemnification provision in Section 8.18 of the Development Agreement.

- e. Survival. The agreements in this Section shall survive the termination of the commitment of City to make Advances and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.5. Payments Set Aside

To the extent that any payment by or on behalf of Developer is made to City, or City exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by City in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.6. Successors and Assigns

- a. Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Developer may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of City. City may assign or otherwise transfer all or any portion of its rights or obligations hereunder to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person) without the consent of Developer. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, and, to the extent expressly contemplated hereby, the Related Parties of City) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- b. Participations. City may at any time, without the consent of, or notice to, Developer, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person) (each, a "Participant") in all or a portion of City's rights and/or obligations under this Agreement (including all or a portion of its commitment to make Advances and/or the Advances owing to it); provided that
 - i. City's obligations under this Agreement shall remain unchanged,
 - ii. City shall remain solely responsible to the other parties hereto for the performance of such obligations, and
 - iii. Developer shall continue to deal solely and directly with City in connection with City's rights and obligations under this Agreement.

Section 8.7. Treatment of Certain Information.

The Parties acknowledge that the City is subject to Public Records laws under Wis. Stat. §§ 19.31 – 19.39 and that some information provided to the City may become a public record and be subject to inspection. Developer understands that the City, as a governmental entity, has legal obligations to disclose public records upon request, unless a specific exemption applies. Notwithstanding any other provision in this Agreement regarding confidentiality, proprietary information, or non-disclosure, Developer acknowledges that the City cannot guarantee the confidentiality of any information provided to the City if such information constitutes a public record subject to disclosure under Open Records Laws. To the extent permitted by law and practicable under the circumstances, the City shall make reasonable efforts to notify Developer of any request made pursuant to Open Records Laws that seeks disclosure of information provided by Developer that Developer has specifically identified in writing as confidential or proprietary at the time of disclosure to the City. Developer shall have the opportunity, at its own expense, to submit written arguments to the City regarding whether the requested information is exempt from disclosure, and may obtain an injunction against disclosure at Developer's own expense if the City intends to release any information Developer believes to be confidential. Developer agrees to cooperate with the City in responding to any Open Records Laws requests, including providing any information necessary for the City to respond to such requests in a timely manner as required by law.

The City's disclosure of information pursuant to Open Records Laws shall not be deemed a breach of any confidentiality provisions contained in this Agreement.

Section 8.8. Right of Setoff

If an Event of Default shall have occurred and be continuing, City and each of its affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by City or any such affiliate to or for the credit or the account of Developer against any and all of the obligations of Developer now or hereafter existing under this Agreement or any other Loan Document to City or its affiliates, irrespective of whether or not City or affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of Developer may be contingent or unmatured or are owed to a branch, office or affiliate of City different from the branch, office or affiliate holding such deposit or obligated on such indebtedness. The rights of City and its affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that City or its affiliates may have.

Section 8.9. Interest Rate Limitation

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If City shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the

Advances or, if it exceeds such unpaid principal, refunded to Developer. In determining whether the interest contracted for, charged, or received by City exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 8.10. Counterparts; Integration; Effectiveness

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 2.3, this Agreement shall become effective when it shall have been executed by City and when City shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.11. Survival of Representations and Warranties

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by City, regardless of any investigation made by City or on its behalf and notwithstanding that City may have had notice or knowledge of any Default at the time of any Advance, and shall continue in full force and effect as long as any Advance or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.12. Severability

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.13. Governing Law; Jurisdiction; Etc.

- a. GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF WISCONSIN.
- b. SUBMISSION TO JURISDICTION. DEVELOPER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST CITY OR ANY RELATED PARTY OF CITY IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF WISCONSIN SITTING IN WALWORTH COUNTY, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH WISCONSIN STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.
- c. WAIVER OF VENUE. DEVELOPER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE

LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

- d. SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 8.14. Waiver of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO

- a. CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND
- b. ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.15. Time of the Essence

Time is of the essence of the Loan Documents.

Section 8.16. Electronic Execution of Assignments and Certain Other Documents

The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation assignments, amendments or other modifications, notices,

waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by City, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.17. No Advisory or Fiduciary Responsibility

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), Developer acknowledges and agrees, and acknowledges its affiliates' understanding, that: (i) (A) the services regarding this Agreement provided by City are arm's-length commercial transactions between Developer and its affiliates, on the one hand, and City, on the other hand, (B) Developer has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) Developer is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) City is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Developer or any of its affiliates, or any other Person and (B) City has no obligation to Developer or any of its affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) City and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Developer and its affiliates, and City has no obligation to disclose any of such interests to Developer or its affiliates. To the fullest extent permitted by law, Developer hereby waives and releases any claims that it may have against City with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 8.18. Developer's Knowledge

References to the "knowledge" of Developer shall mean the actual knowledge of any member or manager of Developer together with the actual knowledge that any such Person obtained in the performance of such Person's duties as a member or manager of Developer.

Section 8.19. Force Majeure

As used herein, the term "Force Majeure" shall mean any accident, breakage, war, insurrection, civil commotion, riot, act of terror, act of God or the elements, governmental action (except for governmental action by the City with respect to obligations of the City under this Agreement),

alteration, strike or lockout, picketing (whether legal or illegal), inability of a Person or its agents or contractors, as applicable, to obtain fuel or supplies, unusual weather conditions, or any other cause or causes beyond the reasonable control of such Person or its agents or contractors, as applicable. No Person to this Agreement shall be in default hereunder for so long as such Person or its agents and contractors, if applicable, are prevented from performing any of its obligations hereunder due to a Force Majeure occurrence. Any party alleging Force Majeure has delayed its performance of obligations shall provide notice to the other party within 30 days of the events beginning to cause delay and shall include in that notice an estimate on the anticipated amount of delay. The party shall then provide a second notice confirming the actual length of delay, the second notice shall be provided no later than 15 days after the anticipated end of the delay detailing the actual amount of the delay caused by the Force Majeure.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

Attorney Steven T. Chesebro
Title: Member State Bar of Wisconsin

EXHIBIT A

CONSTRUCTION BUDGET

[DETAILED CONSTRUCTION BUDGET FOR EACH PROPERTY]

EXHIBIT B

FORM OF REVOLVING PROMISSORY NOTE

REVOLVING PROMISSORY NOTE

\$1,200,000.00

[DATE]

FOR VALUE RECEIVED, the undersigned, Stonehaven Development, LLC, a Wisconsin limited liability company ("Developer"), hereby promises to pay to the order of City of Whitewater, a Wisconsin Municipal Corporation ("City"), the principal sum of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00), or so much thereof as may be advanced and outstanding hereunder, together with interest on the outstanding principal balance from the date hereof at the rate provided for in the Revolving Line of Credit Agreement referred to below.

The Developer further agrees to pay the principal and interest with respect to the revolving line of credit in accordance with the terms of the Revolving Line of Credit Agreement dated as of the date hereof between the Developer and the City (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

This revolving promissory note (this "Note") is the Note referred to in the Credit Agreement and is entitled to the benefits thereof. This Note is secured as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security, and the terms and conditions upon which the security interests were granted and the rights of the holder of this Note in respect thereof.

The holder of this Note may endorse and attach a schedule to reflect the date, Type and amount of each Advance under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and the date of each interest rate conversion or continuation pursuant to the Credit Agreement and the principal amount subject thereto; provided that the failure of the City to make any such recordation (or any error in such recordation) shall not affect the obligations of the Developer hereunder or under the Credit Agreement.

This Note is subject to prepayment as provided in the Credit Agreement.

Upon the occurrence of an Event of Default, the unpaid balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Credit Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Credit Agreement.

No reference herein to the Credit Agreement and no provision of this Note or the Credit Agreement shall alter or impair the obligations of the Developer, which are absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, and in the currency prescribed in the Credit Agreement.

The Developer, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF WISCONSIN.

IN WITNESS WHEREOF, the Developer has caused this Note to be duly executed by its authorized officer as of the day and year first above written.

Stonehaven Development, LLC a Wisconsin limited liability company

BY: _____
Amanda Vandeville, Member

EXHIBIT C

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT E
SCHEDULE OF CITY PAYMENTS

EXHIBIT F
DEVELOPER'S MEMBERS AND MANAGERS

Tim Vandeville Jr.
Amanda Vandeville

EXHIBIT G
PERSONAL GUARANTY
PERSONAL GUARANTY
(STONEHAVEN DEVELOPMENT, LLC)

The undersigned, Tim Vandeville, Jr. and Amanda Vandeville (“Guarantor”), for value received, and to induce the City of Whitewater, Wisconsin (“Lender”) to extend a Development Agreement and Loan to Stonehaven Development, LLC. (“Obligor”) dated as of even date with this guaranty, hereby jointly and severally guarantee full and timely:

- (1) payment of all sums (including, without limitation, principal, interest, fees, penalties, costs, and expenses for the preservation of any collateral and for enforcement and collection) due or to be come due under the Obligation described below; and
- (2) performance of all acts to be accomplished by Obligor under the Obligation described below.

Guarantor agrees that Guarantor may be joined in any action or proceeding commenced by Lender against Obligor in connection with or based upon the Obligation and that recovery may be had against Guarantor in any such action or proceeding, or in any independent action or proceeding against Guarantor, without any requirement that Lender and its successors or assigned first assert, prosecute, or exhaust any remedy or claim against Obligor and its successors and/or assigns, or against any collateral securing the Obligation. Guarantor agrees that Lender and Obligor may amend, renew, modify, or extend the Obligation without Guarantor’s consent or notice to Guarantor, and that this Guaranty shall remain in full force and effect as to any renewal, extension, modification, or amendment of the Obligation and may be enforced by any assignee of or successor to Lender. Guarantor agrees that the validity of this Guaranty and the obligations of Guarantor shall not in any way be terminated, affected, or impaired by reason of any action which Lender may take or be forced to take against Obligor, any collateral securing the Obligation or any other guarantor of the Obligation, or by reason of any waiver of, or failure to enforce, any of the rights or remedies of Lender, or by reason of any extension of time or other forbearance granted to Obligor by Lender. Guarantor agrees that this Guaranty is a continuing guaranty and shall not be revoked by the death of the undersigned. Guarantor hereby waives the right to notice of any and all notices or demands which may be given by Lender to Obligor, whether or not required to be given under the Obligation and hereby waives any notice of acceptance of this Guaranty by Lender.

Guarantor further waives all diligence of collection, presentment, protest, and all rights of contribution or subrogation against Guarantor until Lender is made whole. Guarantor further hereby waives all suretyship defenses generally, and the right to petition for the marshaling of assets.

The Obligation subject to this Guaranty includes, but is not limited to, any and all present and future indebtedness, obligations, and liabilities of any kind whatsoever of Obligor to Lender, whether direct or indirect, joint or several, absolute or contingent, liquidated or unliquidated, and whether or not evidenced by any note, draft, acceptance, guarantee, letter of credit, loan, advance, purchase, lease of goods or services, or other instrument or agreement, including without limitation: (a) the indebtedness evidenced by a Promissory Note payable to Lender dated as of even date executed by Obligor in the principal amount of One Million Two Hundred Thousand Dollars and no/100 (\$1,200,000.00); (b) the obligations of Obligor under the revolving loan fund agreement dated as of even date executed by Obligor in the principal amount of One Million Two Hundred Thousand Dollars and no/100 (\$1,200,000.00); (c) the obligations of Obligor under and/or provided for in the Development Agreement dated as of even date between Obligor and

Lender; (d) any and all other agreements, documents, or instruments between Obligor and Lender, whether now existing or hereafter arising; (e) any and all extensions, renewals, deferrals, modifications, refinancings, consolidations, or substitutions of any of the foregoing; and (f) all interest, charges, fees, expenses, and costs of any kind provided for in any of the foregoing.

Guarantor agrees that: (a) the validity, construction, and enforcement of this Guaranty are governed by the internal laws of the State of Wisconsin, except to the extent such laws are pre-empted by Federal Law; (b) invalidity of any provision of the Guaranty shall not affect the validity of any other provisions of this Guaranty; (c) this Guaranty benefits Lender, its successors and assigns, and binds Guarantor; and (d) this Guaranty shall continue in full force and effect, notwithstanding any change in structure or status of Obligor whether by merger, consolidation, reorganization, dissolution, or otherwise.

Guarantor acknowledges and agrees that Lender (a) has not made any representations or warranties with respect to, (b) does not assume any responsibility to Guarantor for, and (c) has no duty to provide information to Guarantor regarding, the enforceability of any of the Obligations or the financial condition of Obligor or any guarantor, Guarantor has independently determined the creditworthiness of Obligor and the enforceability of the Obligation and until the Obligation is paid in full and fully performed independently and without reliance on Lender continue to make such determinations.

This Guaranty will terminate upon the full performance, payment and satisfaction of all of the financial obligations of Obligor under the Development Agreement.

The undersigned, Tim Vandeville, Jr. and Amanda Vandeville, hereby represents and warrants to the City of Whitewater, Wisconsin that they reside at _____ and will provide notice of change of address within 60 days of moving.

Guarantor represents and warrants that this Guaranty is an obligation incurred in the interest of the marriage and/or the family.

[Signature page follows.]

Dated _____, 2026

GUARANTOR:

Tim Vandeville, Jr.

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
)SS
COUNTY OF WALWORTH)

Personally came before me this ___ day of _____, 2026, the above named Tim Vandeville, Jr. to me known or satisfactorily proven to be the person who executed the foregoing instrument and acknowledged the same.

_____, Notary Public
_____, County, State of Wisconsin
My commission expires: _____

Dated _____, 2026

GUARANTOR:

Amanda Vandeville

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
)SS
COUNTY OF WALWORTH)

Personally came before me this ___ day of _____, 2026, the above named Amanda Vandeville, to me known or satisfactorily proven to be the person who executed the foregoing instrument and acknowledged the same.

_____, Notary Public
_____, County, State of Wisconsin
My commission expires: _____

**A RESOLUTION TO APPROVE DEVELOPMENT AGREEMENT
WITH STONEHAVEN DEVELOPMENT, LLC**

WHEREAS, the Development Agreement for Stonehaven Development, LLC’s (the “Developer”) creation of 14 single family homes has been reviewed and recommended for approval by the City of Whitewater Community Development Association; and,

WHEREAS, Developer currently has under contract parcels addressed at 1222, 1242, 1252, 1262, and 1272 E Bluff Road, Whitewater, Walworth County Wisconsin, located as described under Exhibit A attached hereto (the “Property”) (PIN: /A503200001, /A503200002, /A410100001, /A410100002, and /A410100003); and

WHEREAS, the City has created Tax Incremental Finance District No. #11 (the “TIF District”) as enabled under Wis. Ch. 66, which includes the Property; and

WHEREAS, Developer expects that the Development Project will increase the value of the Property and the TIF District and provide other tangible benefits to the surrounding neighborhoods and to the City as a whole; and

WHEREAS, the Development Project is consistent with the adopted project plan for the TIF District; and

WHEREAS, the City desires to encourage economic development including the elimination of slum and blight, expand its tax base, and create quality new residential units and new jobs within the City of Whitewater, the TIF District, and the Property; and

WHEREAS, the City finds that the construction of the Development Project and fulfillment, generally, of the terms and conditions of this Agreement, are in the vital and best interests of the City and its residents, by serving public purposes in accordance with State and local law and further consistent with the City’s most recently adopted Project Plan for the TIF District (the “TID Plan”); and

WHEREAS, Developer has represented to the City, and, the City finds and determines that, but for the City’s commitment and willingness to consider financial assistance to Developer, the Development Project might not take place in the City and the City would not accomplish one or more of the objectives of the TID Plan; and

WHEREAS, the City is authorized to enter into contracts necessary and convenient to implement the purpose of the TIF District, for the purpose of implementing the TID Plan as provided in Wis. Stat. Section 66.0621; and

NOW, THEREFORE BE IT RESOLVED, That the Common Council of the City of Whitewater authorizes the appropriate City Officials to enter into the Development Agreement with Stonehaven, LLC attached hereto as Exhibit A.

Resolution was introduced by Council Member _____, who moved for its adoption.

RESOLUTION NO.

Seconded by Council Member _____.

DATE	Meeting Date			
	YES	NO	PASS	ABSENT
Michael Smith				
Orin Smith				
Steven Sahyun				
Brian Schanen				
Neil Hicks				
Greg Majkrzak				
Patrick Singer				
Total:				

ADOPTED: _____

John Weidl, City Manager

ATTEST:

Heather Boehm, City Clerk



The Intelligent Way to Build

Tim,

Thank you for the information regarding the recent council meeting for the Whitewater housing project. In addition to us reducing the downpayment required for placing an order for the home by half (which was part of our original agreement), we are now willing to not require the full remaining payment for the homes until they are completed and ready to leave our property. This should help lessen the time the "loan" is working and help keep costs down and work toward attainable housing. We are excited about this project and believe it is a win for all involved: Wisconsin Homes Inc., Stonehaven Development, the city of Whitewater and of course, the new homeowner.

Please keep in touch as things progress.

Regards,

Brian Arndt

Manager of Outside Sales / Builder Development

Wisconsin Homes Inc.
425 West McMillan Street
PO Box 250
Marshfield, WI 54449
Phone: 715-384-2161
wisconsinhomesinc.com

MEMORANDUM

TO: John Weidl – City Manager, City of Whitewater
 Mason Becker, Economic Development Director, City of Whitewater

FROM: Schane Rudlang and Greg Johnson - Ehlers

DATE: December 18, 2025

SUBJECT: Financial Review – Stonehaven RLF (TID #11)

The City of Whitewater (“City”) has received a request for public assistance from Stonehaven Development (“Developer”) in the form of a Revolving Loan Fund (“RLF”) financed through Tax Increment Financing (“TIF”) for the construction of 14 single-family homes within Tax Increment District No. 11 (“Project”). This memorandum provides a summary of the financial review and recommendations regarding the proposed assistance structure.

Project Background

The Project consists of 14 single-family homes to be constructed over a two-year period (2026–2027). The Developer’s stated objective is to deliver these homes at the lowest possible cost by eliminating financing fees and equity investor profit. Each home is targeted to sell for approximately \$330,000 and will feature a single-story layout with three bedrooms, two bathrooms, and a two-car garage, totaling 1,456 square feet. Basements will remain unfinished with poured concrete floors.

Project Costs - Reimbursed

The costs associated with site acquisition and preparation for the Project are summarized below. The Developer anticipates incurring these expenses in 2026 and has requested reimbursement from the City upon submission of invoices during that year. This reimbursement would need to be funded by the City in advance, prior to the generation of any TIF revenue from the Project. The proposed budget does not include any fee waivers; all standard and customary development fees will apply.

Additionally, the cost estimates do not account for potential bedrock removal. While this is not expected to be necessary, if encountered, it could increase costs by approximately \$10,000 per home, or \$140,000 in total.

COST	Amount	Pct.	Per Lot
Private Land Acquisition	120,000	44.3%	8,571
Survey	4,200	1.6%	300
CSM (3 Parcels)	1,700	0.6%	121
Subdivision Plat (2 parcels)	7,300	2.7%	521
Due Diligence, Design	3,900	1.4%	279
Delivery Services	1,200	0.4%	86
Site Work	49,500	18.3%	3,536
Permit/City Fees	60,200	22.2%	4,300
Water Services	19,800	7.3%	1,414
TOTAL	267,800	99.0%	19,129

Revolving Loan Fund

In addition to reimbursing the Developer’s project costs of \$267,800, the Developer has requested that the City provide \$1.2 million in revolving loan funding for home construction at 0% interest. The RLF would be accessed by the Developer to construct four homes at a time. Upon the sale of each home, anticipated at approximately \$330,000, the net proceeds would be returned to the City’s RLF and made available for subsequent draws. This cycle would continue until all 14 homes are completed and sold.

To provide both the RLF and the reimbursement, the City would need to borrow \$1,467,800. Because these funds are not for public improvements, taxable financing is likely required. One potential option is a State Trust Fund Loan (“STFL”), which currently offers an interest rate of 5% for terms of five years or less, along with flexible payoff options and interest-only payments. Local bank financing is also an option. The STFL option is shown for illustration purposes.

Debt service would need to be supported by funds from TID #11 (or another source), as tax increment from the Project will not be sufficient in the near term. TID #11 currently has available funds, without additional development, to support these payments. Approximately \$231,108 is estimated to be required from TID #11 for this purpose. Based on current projections (see below), it may take until 2029 to complete construction and sell all homes.

Revenue Year	Projected Revenues				Expenditures				Balances			Revenue Year
	Tax Increments	Repayment of RLF	Existing TID #11 Revenue	Total Revenues	State Trust Fund Loan 1,467,800 Dated Date: 03/15/26			Total Expenditures	Annual	Cumulative	Liabilities Outstanding	
2027			73,390	73,390			73,390	73,390	0	0	1,467,800	2027
2028	28,825	600,000	44,565	673,390	600,000	5.00%	73,390	673,390	(0)	(0)	867,800	2028
2029	58,565	600,000		658,565	600,000	5.00%	43,390	643,390	15,175	15,175	267,800	2029
2030	78,981		69,234	148,215	150,000	5.00%	13,390	163,390	(15,175)	(0)	117,800	2030
2031	79,771		43,919	123,690	117,800	5.00%	5,890	123,690	(0)	(0)	0	2031
2032	80,569			80,569				0	80,569	80,568	0	2032
2033	81,374			81,374				0	81,374	161,943	0	2033
2034	82,188			82,188				0	82,188	244,131	0	2034
2035	83,010			83,010				0	83,010	327,141	0	2035
2036	83,840			83,840				0	83,840	410,981	0	2036
2037	84,678			84,678				0	84,678	495,659	0	2037
2038	85,525			85,525				0	85,525	581,185	0	2038
2039	86,381			86,381				0	86,381	667,565	0	2039
2040	87,244			87,244				0	87,244	754,809	0	2040
2041	88,117			88,117				0	88,117	842,926	0	2041
2042	88,998			88,998				0	88,998	931,924	0	2042
Total	1,178,066	1,200,000	231,108	2,609,174	1,467,800		209,450	1,677,250				Total

In this scenario, the debt would be paid off in 2031, and the TID increment from the Project would flow to the City. It is estimated that \$1,178,066 of TID increment would be generated by the project through 2042. The City would receive the net amount of \$931,924.

Developer Fee and Realtor Fee

The Developer would charge a flat fee of \$20,000 per home, representing approximately 6.1% of the estimated sale price. In addition, the Developer's affiliated real estate company will serve as the listing agent and may also represent buyers. Realtor commissions, split between the seller's and buyer's agent, of 5% will apply, providing an additional revenue stream for the Developer. No developer or investor equity will be contributed to the Project.

Risks and Obligations

The proposed arrangement for the Project is not a standard developer pay as you go TIF Note ("PAYGO"). In a PAYGO, the Developer takes the majority of the risk and expects TIF to provide gap financing to make a deal financeable. For this Project, the City has risks and obligations as outlined below:

- **Management of RLF:** Managing an RLF for 14 homes would take significantly more staff time than a traditional PAYGO.
- **Home Sale Timing:** If homes don't sell on the timing anticipated, the STFL could be outstanding longer/refinanced, requiring more assistance from TID #11.
- **Home Sale Price:** If the homes do not sell for the cost to construct the home, the RLF would receive incomplete repayment. The TID would then make up this difference. A reasonable buffer for inflation during the Project should be incorporated, increasing the maximum sale price of each home to \$350,000.
- **Cost Overruns:** Market factors could cause the cost of construction to exceed current estimates. This would make the homes more expensive to sell, potentially causing them to sit on the market longer, or needing to be sold for less than the construction cost. TID revenues would need to make up any shortfalls.

Risk Mitigation

To minimize financial risk, the City should implement the following safeguards:

- **Developer Shortfall Payments:** Require the Developer to cover any shortfall if tax increment revenues are insufficient to meet debt service obligations.
- **Special Assessments:** Retain the option to levy assessments or special charges on properties to recover unpaid amounts.
- **Letter of Credit:** Require the Developer to provide a letter of credit, estimated at \$200,000, to cover potential shortfalls in home sale proceeds and interest on the STFL. The City may draw on this letter of credit if necessary.
- **Developer Fee Adjustment:** If homes sell for less than construction cost, the Developer has agreed to forgo its fee, providing an additional buffer for the RLF.

Additionally, the City should reserve the right to terminate the development agreement at any time, while allowing completion of homes already under construction. This provision enables early repayment of the RLF if costs escalate significantly or home sales lag.

Summary

The City of Whitewater has established a goal of increasing the supply of single-family, owner-occupied homes. This development would advance that objective as an infill project requiring minimal municipal infrastructure improvements. The proposed approach reduces developer overhead, profit, and interest expense. While the arrangement introduces additional risk for the City, careful management of the Revolving Loan Fund and implementation of recommended mitigation strategies could provide a viable path to delivering more affordable single-family homes.



City of Whitewater

Stonehaven Development

Financial Review and Dev. Agmt. Process

1. Development Application – Developer submits request
2. Value - Assessor determine value of completed project
3. TIF Estimate – Calculate property taxes and TIF **Generated**
4. Underwriting – Work with developer to understand project
5. Need/Gap Determination – Work towards TIF **Needed**
6. Terms Sheet/Memo – Presentation of terms and/or memo to board
7. Development Agreement – Negotiate agreement and recommend to board

Item 2.

TIF Generated vs TIF Needed to Fill Gap

TIF **Generated**

- Estimated Market Value
- Interim Rate (not Net Mill Rate)
- Percentage to the Developer (City retains portion for admin)
- Value inflation assumption, if any
- Interim Rate - change over time assumption, if any

TIF **Needed** via Proforma Review

- Total development costs
- Funding sources
- Interest rates for loans
- Apartment rents
- Tax credit pricing
- Developer contributions
- Developer fee repayment
- Utility allowances
- Operating expenses

Funding Request

- Revolving Loan Fund (RLF): \$1,200,000 at 0% interest
- Site cost reimbursement: \$267,800
- Total City borrowing: \$1,467,800 (likely taxable financing)

COST	Amount	Pct.	Per Lot
Private Land Acquisition	120,000	44.3%	8,571
Survey	4,200	1.6%	300
CSM (3 Parcels)	1,700	0.6%	121
Subdivision Plat (2 parcels)	7,300	2.7%	521
Due Diligence, Design	3,900	1.4%	279
Delivery Services	1,200	0.4%	86
Site Work	49,500	18.3%	3,536
Permit/City Fees	60,200	22.2%	4,300
Water Services	19,800	7.3%	1,414
TOTAL	267,800	99.0%	19,129

Item 2.

Financing Structure

- RLF cycles with home sales
- Potential funding sources: State Trust Fund Loan (5% interest) or local bank
- Debt service supported by TID #11 funds until 2031
- Developer Profit: \$20,000 per home, Realtor's commissions
- No Developer equity, but guarantees and/or Letter of Credit

RLF - TID

Revenue Year	Projected Revenues				Expenditures				Balances			Revenue Year
	Tax Increments	Repayment of RLF	Existing TID #11 Revenue	Total Revenues	State Trust Fund Loan 1,467,800 Dated Date: 03/15/26			Total Expenditures	Annual	Cumulative	Liabilities Outstanding	
					Principal	Est. Rate	Interest					
2027			73,390	73,390			73,390	73,390	0	0	1,467,800	2027
2028	28,825	600,000	44,565	673,390	600,000	5.00%	73,390	673,390	(0)	(0)	867,800	2028
2029	58,565	600,000		658,565	600,000	5.00%	43,390	643,390	15,175	15,175	267,800	2029
2030	78,981		69,234	148,215	150,000	5.00%	13,390	163,390	(15,175)	(0)	117,800	2030
2031	79,771		43,919	123,690	117,800	5.00%	5,890	123,690	(0)	(0)	0	2031
2032	80,569			80,569				0	80,569	80,568	0	2032
2033	81,374			81,374				0	81,374	161,943	0	2033
2034	82,188			82,188				0	82,188	244,131	0	2034
2035	83,010			83,010				0	83,010	327,141	0	2035
2036	83,840			83,840				0	83,840	410,981	0	2036
2037	84,678			84,678				0	84,678	495,659	0	2037
2038	85,525			85,525				0	85,525	581,185	0	2038
2039	86,381			86,381				0	86,381	667,565	0	2039
2040	87,244			87,244				0	87,244	754,809	0	2040
2041	88,117			88,117				0	88,117	842,926	0	2041
2042	88,998			88,998				0	88,998	931,924	0	2042
Total	1,178,066	1,200,000	231,108	2,609,174	1,467,800		209,450	1,677,250				Total

Item 2.

Risks

- **RLF Management:** Requires significantly more staff time than a standard PAYGO.
- **Home Sale Timing:** Delays could extend debt payoff and increase reliance on other TID #11 revenues.
- **Sale Price Risk:** If homes sell below cost, RLF repayment falls short; allow max price to \$350,000.
- **Cost Overruns:** Higher construction costs could slow sales or force lower prices, creating pressure on other TID#11 revenues.

Risk Mitigation

- **Developer Shortfall Payments:** Developer covers any gap if tax increment revenues don't meet debt service.
- **Special Assessments:** City can levy assessments or charges to recover unpaid amounts.
- **Letter of Credit:** Developer provides \$200,000 letter of credit for potential shortfalls; City may draw if needed.
- **Developer Fee Adjustment:** Developer waives fee if homes sell below construction cost.
- **Termination Right:** City should retain.

Summary

- Aligns with City's housing goals
- Reduces developer overhead and interest costs
- No Developer equity, but guarantees and Letter of Credit exist
- Requires careful management and safeguards



Important Disclosures

Ehlers is the joint marketing name of the following affiliated businesses (collectively, the “Affiliates”): Ehlers & Associates, Inc. (“EA”), a municipal advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”); Ehlers Investment Partners, LLC (“EIP”), an SEC registered investment adviser; and Bond Trust Services Corporation (“BTS”), a holder of a limited banking charter issued by the State of Minnesota.

Where an activity requires registration as a municipal advisor pursuant to Section 15B of the Exchange Act of 1934 (Financial Management Planning and Debt Issuance & Management), such activity is or will be performed by EA; where an activity requires registration as an investment adviser pursuant to the Investment Advisers Act of 1940 (Investments and Treasury Management), such activity is or will be performed by EIP; and where an activity requires licensing as a bank pursuant to applicable state law (paying agent services shown under Debt Issuance & Management), such activity is or will be performed by BTS. Activities not requiring registration may be performed by any Affiliate.

This communication does not constitute an offer or solicitation for the purchase or sale of any investment (including without limitation, any municipal financial product, municipal security, or other security) or agreement with respect to any investment strategy or program. This communication is offered without charge to clients, friends, and prospective clients of the Affiliates as a source of general information about the services Ehlers provides. This communication is neither advice nor a recommendation by any Affiliate to any person with respect to any municipal financial product, municipal security, or other security, as such terms are defined pursuant to Section 15B of the Exchange Act of 1934 and rules of the MSRB. This communication does not constitute investment advice by any Affiliate that purports to meet the objectives or needs of any person pursuant to the Investment Advisers Act of 1940 or applicable state law.

Recommendation (Example/Sample)

- **MRO Amount:** \$6,500,000 if on a future/gross value basis (at 0% interest)
- **Annual Share:** Paid out from 90% of TIF annually generated by the Project
- **Value Inflation:** Projections based on 1.5% annual inflation on project value
- **Term:** Last possible payment year is 2046, no payments after 2046
- **Pay as you go:** No City borrowing for MRO
- **Lookback on Total Development Costs** – Upon completion, if the Actual Total Development Cost is less than 95% of the Estimated Total Development Cost, then the MRO will be reduced by the amount of the difference. Costs are PV, MRO is FV which yields shares in the underruns.

Date: March 11, 2026

To: Community Development Authority Board

From: Jeremiah Thomas, Comptroller

Re: Stonehaven Development – Personal Financial Statement Analysis

The Finance department was asked to review the Personal Financial Statement (PFS) provided by Tim Vandeville in conjunction with the proposed Stonehaven Development on Bluff Road.

The primary focus of the analysis is to assess the risk involved in the proposed development to the City and secondarily verify if there is enough liquidity from Tim to support potential minor payments of invoices while working through the reimbursement process from the City provided revolving loan.

First, to assess the possible liquidity capacity, we calculated a reasonable target based on the scope of the building project. Based on the proposed modular build costs, an assumed 4 homes built at a time and a 3-6 month completion timeframe to be ready for sale, and considering the City would be paying contractors directly for invoices incurred during the build a reasonable coverage ratio would be 15% of the total build cost for the 4 homes. Finance calculated this 15% coverage amount to be \$186,924 (this would also be more than 50% of the build cost of a single home). Based on the PFS provided by Tim, between his business and personal liquid assets he would have adequate funds to fund the 15% coverage amount.

The risk to the City is low due to the City securing the home and land as collateral for the revolving loan, and the City paying contractors directly through submitted invoices from the Revolving loan. With direct reimbursement from the Revolving loan to the contractors this eliminates or reduces the possibility of cash flow issues by Tim throughout the Stonehaven Development project.

It is Finance's opinion that there is no hinderances found in the PFS provided by Tim that would be a barrier to the Stonehaven Development moving forward. This conclusion was based on the understanding that the majority of invoices to be paid directly by the City from the Revolving Loan fund to the contractors, and the liquid funds stated on Tim's PFS show adequate reserves to fund up to 15% of the project costs while seeking reimbursement if that should arise.

	Original Proposal	Option 1A	Option 1B
Wastewater Utility Return Rate	3.50%	4%	4%
Developer's Interest Rate	0%	0%	1%
Total Interest	235,041	271,499	271,499
(per home)	16,789	19,393	19,393
Total Interest Paid by TID	235,041	271,499	230,199
Total Interest Paid by Developer			41,300
Interest Expense			2,950
All-in Cost	293,500	293,500	293,500
Developers Fee	20,000	20,000	20,000
5% Realtor Fee	16,500	16,500	16,648
Total Home Price	<u>330,000</u>	<u>330,000</u>	<u>333,098</u>
TID Reimbursed Project Costs	287,800	287,800	287,800
Total Interest Paid by TID	<u>235,041</u>	<u>271,499</u>	<u>230,199</u>
Total Cost Supported by TID	522,841	559,299	517,999
Total Estimated Increment from Project	<u>1,178,066</u>	<u>1,178,066</u>	<u>1,178,066</u>
TID Net Gain/(Loss)	655,225	618,767	660,067
Earned by Wastewater	235,041	271,499	271,499
Additional earned beyond baseline		36,457	36,457

Option 2A	Option 2B
5%	5%
0%	2%
346,724	346,724
24,766	24,766
346,724	264,124
	82,600
	5,900
293,500	293,500
20,000	20,000
16,500	16,795
<hr/>	<hr/>
330,000	336,195
287,800	287,800
346,724	264,124
<hr/>	<hr/>
634,524	551,924
1,178,066	1,178,066
<hr/>	<hr/>
543,542	626,142
346,724	346,724
111,683	111,683

American Deposit Current Money Market Rate	3.50%
Length of Time (6/1/2026-8/31/2030)	51 months
Starting Balance	1,467,800.00
Ending Balance	1,702,841.24
Interest earned	235,041.24
Per House	16,788.66

From: [John Weidl](#)
To: [Heather Boehm](#)
Cc: [Mason Becker](#); [Becky Magestro](#)
Subject: Fw: Stonehaven Development: Response Document
Date: Sunday, April 19, 2026 10:16:13 AM
Attachments: [image001.png](#)
[image002.png](#)
[Stonehaven - Responses to Public Questions.pdf](#)

Heather,

On Monday, please amend the agenda packet to include both Mason's email below and the attached document from the developer.

Then please make sure to send that update out to the console and let them know what was added.

Best, - JSW

John S. Weidl, DBA (2027), CEcD, CPM
City Manager, City of Whitewater

312 W. Whitewater St., Whitewater, WI 53190
[262-473-0104](tel:262-473-0104) | jweidl@whitewater-wi.gov
www.whitewater-wi.gov

From: Mason Becker <mbecker@whitewater-wi.gov>
Sent: Sunday, April 19, 2026 9:11:49 AM
To: City Council <citycouncil@whitewater-wi.gov>
Cc: Rachelle Blitch <rblitch@whitewater-wi.gov>; Steven Chesebro <schesebro@whitewater-wi.gov>; John Weidl <jweidl@whitewater-wi.gov>
Subject: Stonehaven Development: Response Document

Council members, good morning.

Similar to the email John sent out to all of you this morning, Tim Vandeville from Stonehaven Development reached out to me yesterday, noting that there is quite a bit of misinformation circulating regarding their project and proposal. As a former local elected official, when I served on city council in Fort Atkinson, I often had to remind myself that social media is not always reflective of reality. Some scattered social media posts do not equate to a rigorous scientific poll, or more directly, they do not always correlate with the results in a local election.

I also must state that the reason many communities, including Whitewater, are turning to innovative “outside the box” concepts like the one proposed here are that we exist within a market failure for housing. In Whitewater, that failure most acutely applies to owner-occupied single-family housing.

There are economic reasons that explain why we are not seeing large amounts of developers knocking on our door to build. In Fort Atkinson, as a personal example, we heard for ten years from private developers that, “We know Fort Atkinson needs more housing, but we can make a quicker Return on Investment in places like Dane County and Waukesha County.” Private developers weren’t moving anything forward, and Fort Atkinson saw only a small trickle of housing development. We knew the need was there, and it was proven by third-party studies as well as feedback from residents and businesses. The city government finally had to take the step to purchase 75-acres of land, annex it into the city, create a new TID, and put out an RFP (which only received one developer response) in order to bring a developer to the table. If you drive up Banker Road in Fort Atkinson, you can see there is finally new housing construction happening. What is being proposed by Stonehaven, by comparison, is much more modest in scope and scale.

I could also bring up examples from my time working for the City of Watertown, but you would quickly get the picture that these problems and the seeking of creative solutions are not new or unique to Whitewater.

While in a perfect situation, the free market would solve our problems, when the same market fails to meet identified critical needs in the community, it can be prudent for local government to take action and come up with solutions.

The attached is 14 pages, but it is a quick read. You are already aware of many of the points. **Here is a quick summary:**

The developer emphasizes that the project is structured as a revolving loan fund model, not a grant or a “give away”, designed to create attainable, owner-occupied housing while recirculating funds back into the program as homes are sold.

The response is another reminder that the proposal has undergone extensive review by City staff, including the Finance Department and the City Attorney, financial advisors (Ehlers), the CDA, and Common Council, and includes financial safeguards, repayment mechanisms, and owner-occupancy protections.

Stonehaven also addresses key claims being pushed out, noting that:

- The project is intended to expand the tax base and increase owner-occupied housing supply, not raise property taxes or utility rates.
- A traditional “pay as you go” TIF structure could undermine affordability by increasing development costs and lengthening the pay-back timeline.
- The proposal aligns with a documented local housing need, particularly for attainable single-family ownership.

Overall, the document reinforces that the proposal should be evaluated based on its actual financial structure, risk protections, and long-term public benefits, rather than on incomplete or inaccurate characterizations.

Please note this was a developer provided document. I did not request it from the developer, and I have not edited it.

I look forward to a productive meeting tomorrow night focused on factual details of the proposed project and the items included in the Development Agreement and proposed internal borrowing. I hope you all enjoy the rest of your Sunday.

Sincerely,
Mason T. Becker
Community Development Director
City of Whitewater, WI
mbecker@whitewater-wi.gov
Office: 262.473.0148
Cell: 262.443.4458



RESPONSES TO THE COMMON COUNCIL

Answering the Questions About the Bluff Road Housing Proposal

A direct response to concerns raised about the structure, intent, and public purpose of the proposal.

A NOTE TO COUNCIL

Our goal is not to dismiss concerns. It is to help you evaluate the proposal on its actual terms.

Over the past several weeks, a number of questions and criticisms have been raised regarding the Stonehaven proposal. We understand and respect the public's interest in this project. Because several claims have been repeated in ways that do not fully reflect the structure or intent of the proposal, we felt it was important to respond directly and clearly. Our goal is not to dismiss concerns, but to help ensure the proposal is evaluated on its actual terms, protections, and public purpose.

The following pages address sixteen specific questions and criticisms that have come up in recent weeks. Each response returns to the same core point: is the proposal lawful, transparent, financially structured, and in the public interest? That is the test we welcome.

STONEHAVEN DEVELOPMENT

On behalf of the Bluff Road housing proposal team.

01 “The City of Whitewater is acting as a private bank for the investor.”

The City is not acting as a private bank. The proposed revolving loan structure is a targeted economic development tool designed to address a specific public need: the creation of attainable, owner-occupied housing.

Under the proposal, the City is not making an open-ended investment in a private individual. It is providing a controlled, project-specific financing mechanism tied to the construction of homes that meet defined community objectives, including affordability, owner-occupancy, and tax base growth. The funds are intended to revolve as homes are completed and sold, allowing the same dollars to be reused rather than permanently given away.

The housing crisis is a complex problem that requires a comprehensive solution.

02 “No other city in America is doing this.”

It is inaccurate to claim that no other city uses public loan or revolving fund tools to support housing. Revolving housing loan funds, deferred-payment housing programs, and other gap-financing tools already exist in Wisconsin and elsewhere.

What may be true is that Whitewater’s proposal is more customized than some traditional programs. But “different” does not mean improper. The real issue is whether the tool is legally structured, adequately protected, and tied to a clear public purpose: creating attainable, owner-occupied housing.

03 “Why should the City risk the utility fund?”

This question is understandable. No one wants to see public funds used carelessly. But the issue should be evaluated based on the actual structure of the proposal, not on the assumption that the funds are simply being handed over without protection.

The purpose of the proposed funding structure is not to make a speculative gift. It is to address a documented housing need by creating attainable, owner-occupied homes that add long-term value to the community. The City is not being asked to spend money with no return. It is being asked to use a revolving structure in which funds are repaid as homes are sold, allowing the same dollars to be reused.

The real question is whether the risk is appropriately limited and protected. If the City has sufficient safeguards in place through its agreements, collateral position, repayment structure, and oversight, then the conversation should be about whether that level of risk is justified by the public benefit.

Every meaningful housing initiative involves some level of public participation or risk. The key is whether that risk is measured, secured, and tied to a clear public purpose. In this case, the public purpose is clear: creating new attainable homes, increasing owner-occupancy opportunities, and expanding the tax base. If Whitewater wants different housing outcomes, it has to be willing to consider tools that help make those outcomes possible.

04 “The City's risk would be lessened by a Pay-Go.”

A Pay-Go structure may reduce the City's upfront exposure, but it also materially changes the economics of the project and, in this case, undermines the very affordability goal the project is meant to achieve.

Under a Pay-Go model, the developer must front the costs and wait to be reimbursed over time from future tax increment. That shifts carrying costs, financing costs, and additional uncertainty onto the project. Those costs do not disappear. They ultimately have to be absorbed somewhere, which typically means higher home prices, reduced affordability, or a project that no longer works at all.

Pay-Go may reduce the City's risk on paper, but it increases the project's cost and weakens the likelihood that attainable homes can actually be delivered at the intended price point. If the City's objective is truly to encourage attainable, owner-occupied housing, then it has to evaluate not just which structure feels safest, but which structure actually makes the housing possible.

The question is not simply which model shifts the most risk away from the City. The question is which model best balances public protection with real-world feasibility.

05 “The Wisconsin Department of Administration says the City of Whitewater is shrinking.”

Even if some Wisconsin DOA data shows Whitewater as flat or modestly declining in population, that does not mean the City lacks a housing need.

Whitewater's own housing analysis found a very low owner-occupied vacancy rate, an unusually low share of owner-occupied housing, limited single-family production, and demand for additional housing units. The issue is not just population size. It is whether the community has the right kind of housing supply, and the City's own studies say it does not.

Population trend data and housing need are not the same thing.

06 “The developer has no previous experience.”

It is fair for the City and the public to consider experience when evaluating any development proposal. But that concern should be evaluated in full context, not reduced to whether this developer has completed this exact type of project before under the same entity name.

Every developer has a first project. The more relevant question is whether the team has assembled the right professional support, whether the plan is realistic, and whether the City has built in protections that do not rely solely on blind trust. This proposal should stand or fall based on the strength of its structure, the quality of its partners, and the safeguards in the agreements.

In this case, the project has gone through review by City staff, the City attorney, Ehlers, and the CDA. It also involves experienced third-party professionals in construction, finance, engineering, legal review, and municipal process. That does not eliminate all risk, but it does mean the proposal is not simply based on an unsupported idea from someone operating alone.

If communities say they want innovative local solutions, they cannot also require that every solution come only from large, established developers with long resumes and conventional models. Whitewater has an opportunity to support a locally driven housing approach that has been scrutinized and structured through the City's normal review process.

07 “The developer is getting a sweetheart deal because he is in cahoots with the City Manager.”

This claim is false.

There is no working relationship with John in any capacity. That relationship ended when he left Legacy Realty Group in 2021. Stonehaven Development created this housing concept and approached the City with it. Our first meeting regarding the proposal was with John and Emily as part of the normal City process.

This proposal was not created by the City Manager, and it was not advanced because of any personal relationship. It has gone through review by City staff, the Finance Department, the City Attorney, Ehlers, the CDA, and the Common Council.

Allegations and rumors should not replace the public process or the actual terms of the agreement. The proposal should be judged on its structure, safeguards, and public benefit, not on speculation about personal relationships.

08 “Why didn't the City RFP this project?”

An RFP process is often appropriate when a City is seeking bids for a project or requesting competing proposals for a concept it has created. That is not what happened here. This concept was not developed by the City and then offered to the market. It was created by Stonehaven and brought to the City as a specific housing solution designed to address a local need.

This was a developer-initiated proposal. Stonehaven identified a housing gap, created a model intended to deliver attainable, owner-occupied homes, and presented that concept to the City for consideration. The City's role has been to evaluate whether that proposal serves a valid public purpose and whether the structure is appropriate and adequately protected.

An RFP may make sense when multiple parties are being asked to compete on the same publicly defined opportunity. But requiring an RFP every time a private party brings forward an original concept would discourage innovation and local problem-solving. If a developer invests time creating a housing model, assembling a plan, and presenting a workable solution, it is reasonable for the City to evaluate that proposal on its merits rather than treating it as though it were the City's idea to bid out.

The relevant question is not whether the City issued an RFP for a concept it did not create. The relevant question is whether the proposal in front of the City is lawful, transparent, financially structured, and in the public interest.

09 “Our taxes will go up giving away the money.”

This proposal does not involve simply “giving away money.” The structure under discussion is a revolving loan and development agreement tied to the construction and sale of new homes, with repayment built into the model. The purpose is to create new owner-occupied housing and generate long-term taxable value on land that is currently underutilized.

It is also important to separate this proposal from the broader issue of property tax increases. Property tax bills can rise for many reasons, including school levies, county taxes, municipal budgets, and valuation changes. Claiming that residents' taxes will go up because the City is “giving away money” oversimplifies how local taxation actually works.

More importantly, City staff has not proposed or recommended any property tax increase in connection with this proposal. This is a repayable financing structure, not a grant, and there is no staff recommendation that taxes be raised to support it.

The City staff memo specifically notes that the addition of needed single-family owner-occupied housing would significantly improve currently undeveloped parcels, including parcels that are tax-exempt and have been for sale since 2020. The proposal is intended to add value to the tax roll over time, not reduce it. Describing it as “giving away money” is inaccurate.

10 “Our utility bill will go up using the utility fund.”

The use of utility fund dollars does not automatically mean utility bills will increase. The proposal involves internal borrowing from utility funds, not a rate increase. City staff has stated there is enough fund balance to support the proposed short-term internal borrowing while still leaving a reserve, and Ehlers found this type of internal borrowing acceptable.

Just as importantly, there has been no proposal or recommendation from staff to raise utility rates in connection with this structure. The Finance Director modeled scenarios for the borrowing, including returns to the utility, but that is separate from any rate increase. Residents are right to ask questions, but it is inaccurate to claim that this proposal will raise utility bills.

This is an internal borrowing mechanism, not a proposal to increase utility charges on residents.

11 “The developer shouldn't get a fee plus Realtor fees.”

This concern appears to combine two separate roles and treat them as though they are the same compensation, when they are not.

A developer fee compensates for the work, time, risk, coordination, and overhead involved in creating and managing the project itself. That includes identifying the opportunity, designing the concept, working through approvals, coordinating consultants and contractors, managing timelines, solving problems, and carrying the responsibility and risk of execution.

Realtor compensation, by contrast, relates to the marketing and sale of the finished homes through a licensed brokerage function. Those are separate services with separate responsibilities. In many real estate projects, multiple parties are compensated for distinct roles such as development, construction, financing, legal work, and sales. The fact that one party may be involved in more than one function does not automatically mean the compensation is improper.

This project is not structured around an unlimited upside. The homes are being proposed within an affordability-focused model, and the developer fee has been presented as a defined amount rather than an open-ended profit. The sales side is handled through a licensed brokerage relationship that reflects a separate service tied to listing and selling the homes. The issue is not whether there are two forms of compensation. The issue is whether they are tied to two distinct roles and whether the overall compensation remains reasonable.

12 “What does the City get out of this?”

The City gets far more than a single housing project. It gets a practical model for creating attainable, owner-occupied housing in a market where that product has been difficult to deliver.

First, new homes specifically designed for owner-occupants rather than investors or rental conversion. That matters because Whitewater has long struggled with an imbalance in its housing stock, particularly a limited supply of attainable single-family ownership opportunities.

Second, added tax base from new construction on parcels that are currently underperforming, underutilized, or not contributing at the same level they could be. That means long-term community value, not just short-term project activity.

Third, a revolving structure that is intended to recycle funds as homes are completed and sold. Once successful, the same dollars can be reused to help create more homes rather than being spent once and gone.

Fourth, a chance to prove that public-private partnership can be used not just for large apartment projects or high-end development, but for attainable ownership housing that serves local families, first-time buyers, and working households.

Finally, momentum. Success here would show that Whitewater is serious about addressing housing challenges with real action, not just discussion. It would create a replicable framework the City could refine, improve, and potentially use again if it chooses.

13 “Why is the City involved at all? Why can't the private market do this on its own?”

The City is involved because the private market, on its own, has generally not been producing the kind of new owner-occupied housing Whitewater says it needs at a price point many working households can realistically afford.

That is not a criticism of the private market. It is a recognition of how the economics work. Land costs, infrastructure costs, construction costs, financing costs, carrying costs, and developer risk all push new home prices upward. In many communities, that means the market naturally delivers either higher-priced homes, rental housing, or projects with margins that do not support attainable entry-level ownership.

This proposal exists because there is a gap between what the market naturally produces and what the community says it wants. If the City wants more attainable, owner-occupied housing, but the normal market structure does not make that feasible at the desired price point, then some form of public participation or partnership becomes necessary to bridge that gap.

The City is not being asked to step in because the private market has failed in every respect. It is being asked to step in because the private market has not solved this specific problem on its own. That is often the role of local government in housing. Not to replace the private market, but to help close the gap where the market alone is not producing the community outcome being sought.

14 “Are these homes actually affordable?”

That depends on how “affordable” is being defined. If the question is whether these homes are deeply subsidized low-income housing, the answer is no. That is not what this project is intended to be. But if the question is whether these homes are designed to be more attainable than typical new construction and priced to create ownership opportunities that are otherwise scarce in the market, the answer is yes.

New construction is expensive. In today's market, it is difficult to build new single-family homes at a price point that is accessible to many working households without some combination of cost control, public partnership, or both. That is exactly why this model was created.

These homes are intended to fill the gap between older existing housing and higher-priced new construction by offering a more attainable path to homeownership than the market typically delivers on its own. They are not “cheap housing,” but they are meant to be attainable housing relative to the realities of current construction costs.

The right comparison is not whether these homes are affordable to every household. The better question is whether they are more affordable than comparable new construction would otherwise be, and whether they expand access to owner-occupied housing in a market where that opportunity has been limited.

15 “Why should the City help a project near the railroad, on this site, or on these lots?”

The location of a project is a fair question for the City and the public to consider. But the proper way to evaluate that question is through planning, engineering, zoning, infrastructure, and site suitability review, not through the assumption that a site should be rejected simply because it is not perfect or because it is near a railroad.

Every infill or redevelopment opportunity comes with tradeoffs. The question is whether the site is legally buildable, physically serviceable, and appropriate for the type of housing being proposed. If the site meets applicable planning, engineering, utility, and development standards, then the focus should be on whether it can responsibly support the intended homes.

Communities do not solve housing shortages by waiting only for ideal, controversy-free parcels. In many cases, the most realistic opportunities are the sites that are available, serviceable, and capable of being improved with a thoughtful plan. If the City wants additional owner-occupied housing, it has to be willing to evaluate real sites in the real world, not just hypothetical better ones.

With respect to the railroad specifically, proximity alone does not automatically make a site inappropriate for housing. Many communities include homes near rail corridors, including Whitewater, and those sites are evaluated through normal development standards, engineering review, and buyer awareness. The question should be whether the site is suitable under applicable standards and whether future homeowners can make an informed decision, not whether the site is free of every perceived drawback.

16 “What protections keep this from becoming an investor or rental product later?”

This concern is valid, and it is exactly why the proposal includes protections aimed at preserving the public purpose of the project. The intent is not simply to build houses, but to create attainable, owner-occupied homes.

That is why the structure has included owner-occupancy expectations and resale restrictions rather than leaving the homes completely unrestricted after completion. Those protections are important because they help ensure the public support being considered is tied to the outcome the City actually wants: homeownership opportunities for occupants, not immediate investor conversion or speculative turnover.

No restriction can eliminate every future possibility forever, but the purpose of these provisions is to create meaningful guardrails. They make clear that the homes are intended for owner-occupants and that the public assistance associated with the project is justified by that specific community benefit.

This is not a proposal to publicly support housing with no strings attached. It is a proposal to support a housing model that includes built-in protections to better align the project with Whitewater's goal of expanding owner-occupied housing.

A standing offer.

If there are additional questions, concerns, or points of confusion that this document has not addressed, we are ready to respond. We would rather answer a hard question in the open than have it answered incorrectly by someone else.

The public process is the right place for this proposal to be tested. We welcome that scrutiny and remain committed to being transparent about the structure, the safeguards, and the public purpose of this project.

FOR FURTHER INFORMATION

Tim Vandeville

Stonehaven Development

From: [Mason Becker](#)
To: [City Council](#)
Cc: [John Weidl](#); [Heather Boehm](#)
Subject: FW: Whitewater development
Date: Monday, April 20, 2026 9:50:35 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
Importance: High

Council members, good morning.

I wanted to share the below comments from a local realtor regarding the proposed Stonehaven project. There is some very relevant information pertaining to the current housing market, which is why I wanted to make sure you saw this. I have only met Tracy very briefly in the past, and I did not solicit this email.

Heather, per John, please add this to the online packet.

Sincerely,
Mason T. Becker
Community Development Director
City of Whitewater, WI
mbecker@whitewater-wi.gov
Office: 262.473.0148
Cell: 262.443.4458



From: Tracy Lazzaro Realtor, Broker and CSRS <tlazzaro@shorewest.com>
Sent: Monday, April 20, 2026 9:28 AM
To: Mason Becker <mbecker@whitewater-wi.gov>
Subject: Whitewater development
Importance: High

You don't often get email from tlazzaro@shorewest.com. [Learn why this is important](#)
Good morning Mason,

It is my understanding that there is a new development trying to be planned out for the Whitewater area. I just wanted to reach out as a local Real Estate Broker for the last 24

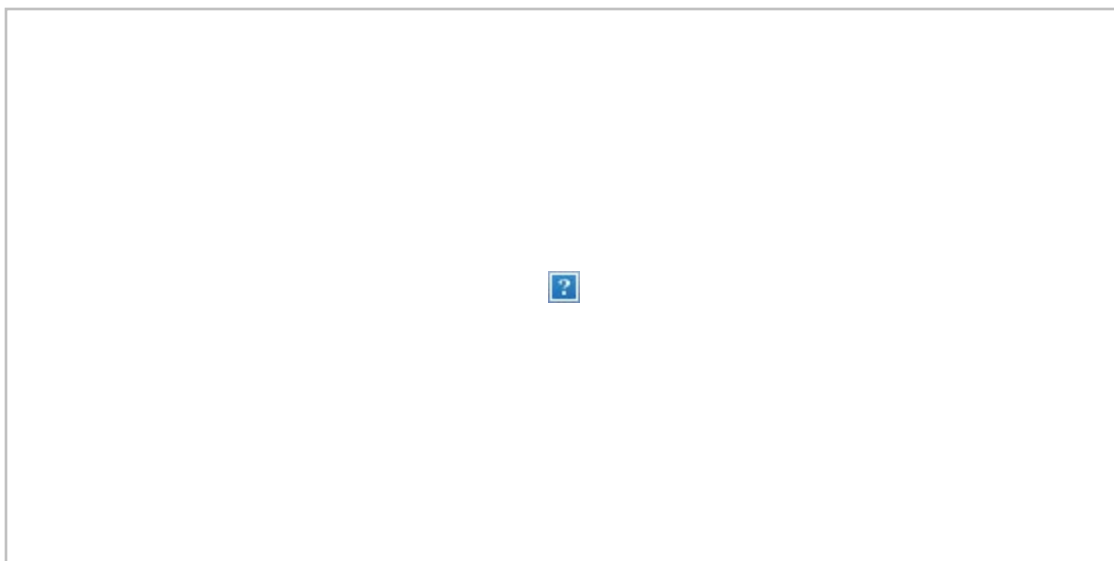
years and provide my thoughts on this development. We are certainly below the average for homes available for buyers, in fact we only have 20 homes on the market in all of Whitewater- \$235,000-\$560,000 with 8 of those 20 being under contract with an accepted offer. Anything that is more affordable for those first-time home buyers or families in general would be very welcoming and much needed as the market proves. Providing homes that are new construction below the \$400,000 price point would be a fantastic option for buyers.

I hope this message reaches you well and If I can answer any questions regarding the market in your area without biased, please don't hesitate to reach out.

Respectfully,

Tracy Lazzaro

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Council Agenda Item

Meeting Date:	April 20, 2026
Agenda Item:	Resolution to approve borrowing from Stormwater Utility
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov

BACKGROUND

(Enter the who, what when, where, why)

The attached resolution is necessary to approve the proposed internal borrowing from the city's stormwater utility. The city's Finance Director has prepared a spreadsheet showing different interest rate terms and considerations, which will be reviewed during this meeting.

The spreadsheet prepared by the Finance Director compares the interest rates in the original request, with scenarios that would increase the amount returned to the utility and the interest rate charged to the developer. Information on the current money market rate of return at 3.50% is also included.

Staff is not making a recommendation on what interest rate to choose. This is a council policy decision. For comparisons, the most recent loans given out by the Whitewater CDA for the Façade Loan Program and Capital Catalyst Loan Program were at a 4.00% interest rate.

If the council approves the Development Agreement with Stonehaven Development, the proposed borrowing resolution will need approval to facilitate the proposed Revolving Loan Fund component of the agreement.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- The Development Agreement is up for approval at this same meeting

FINANCIAL IMPACT

(If none, state N/A)

- The Finance Department and Ehlers have both reviewed this proposed borrowing and have not expressed concerns with moving forward, given the terms outlined in the Development Agreement
- The addition of much needed single-family owner-occupied housing will represent significant improvement to these currently undeveloped properties, two of which that are currently tax-exempt

STAFF RECOMMENDATION

- City staff recommends approval of the drafted resolution

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Draft of Borrowing Resolution
- Draft of Promissory Note

Promissory Note

This Promissory Note (this **Note**) is made and entered into as of May _____, **2026** (the **Effective Date**), by and between **City of Whitewater**, a Wisconsin Municipal Corporation (the **Maker** or the **City**); and **City of Whitewater Wastewater Utility**, a Wisconsin Municipal Utility and political subdivision organized and existing under the laws of the State of Wisconsin (the **Payee** or the **Utility**).

Maker and Payee are sometimes referred to individually as a **Party** and collectively as the **Parties**.

FOR VALUE RECEIVED, and in consideration of funds advanced and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Maker hereby unconditionally promises to pay to the order of Payee, in lawful money of the United States of America, the principal sum of **One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (US \$1, 467,800.00)**, together with interest thereon as provided in this Note, upon the terms and conditions set forth below.

1. Principal Amount; Interest; Payment Structure

1. **Principal Amount.** Maker promises to pay to the order of Payee the principal sum of One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (US \$1, 467,800.00), or so much thereof as may be advanced to or for the benefit of Maker by Payee pursuant to this Note (the **Principal**).

2. Interest Rate.

1. **Interest Rate.** Interest shall accrue on the Outstanding Principal Balance at a fixed rate of three and a half percent (3.50%) per annum (the Interest Rate), from and including the Effective Date until the Outstanding Principal Balance and all accrued interest and other amounts payable under this Note are paid in full.

2. **Compounding Frequency.** Interest shall be compounded monthly. For purposes of this Note, Monthly Compounding means that on each Interest Computation Date (as defined below), all accrued and unpaid interest then outstanding shall be added to the Outstanding Principal Balance, and from and after such addition, interest shall accrue on the increased Outstanding Principal Balance at the Interest Rate.

3. **Interest Computation Dates.** Unless otherwise agreed in writing by the Parties, the Interest Computation Dates shall occur on the same calendar day of each calendar month as the Effective Date (or, if there is no corresponding day, on the last day of such month), commencing on the first such date following the Effective Date and

continuing on each such date thereafter through and including the Maturity Date (as defined below) or earlier payment in full of this Note.

- 4. Day Count Convention.** Interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed in the applicable interest period, and compounded monthly as provided in this Section 1.2. The Parties acknowledge that for administrative convenience and consistency with the Amortization Schedule (as defined in Section 1.4), monthly interest accruals may be computed using a standardized monthly factor derived from the annual Interest Rate.
- 5. Compound Interest.** Interest under this Note shall be compound interest, and interest shall accrue on both:
 1. the Outstanding Principal Balance; and
 2. to the extent not paid when due, accrued and unpaid interest that has been added to the Outstanding Principal Balance pursuant to this Section 1.2. No provision of this Note shall be construed to require the payment or collection of interest in excess of the maximum rate permitted by applicable law, and this Note shall be subject to the usury savings provisions set forth in Section 7.

3. Interest-Only Payment Structure.

- 1. Periodic Interest Payments.** Until the Maturity Date (as defined below), Maker shall pay to Payee periodic payments of accrued interest only (each, an Interest Payment), without any required scheduled payment of Principal, except as may be otherwise required pursuant to prepayment or acceleration provisions of this Note.
- 2. Frequency of Interest Payments.** Interest Payments shall be due and payable in arrears on the 1st day of February each calendar year (each, an Interest Payment Date), commencing on February 1, 2027, and continuing on each Interest Payment Date thereafter through and including the Maturity Date or earlier payment in full of this Note.
- 3. Amount of Interest Payments.** Each Interest Payment shall be in an amount equal to all interest accrued on the outstanding Principal at the Interest Rate during the applicable interest period, as set forth in the amortization schedule attached as Exhibit A (the Amortization Schedule), which is incorporated herein by this reference. To the extent of any inconsistency between the text of this Note and Exhibit A solely as to numerical amounts, the Parties shall cooperate in good faith to correct any mathematical error, and the corrected schedule shall control prospectively; provided,

however, that in the absence of mutual written agreement, the textual provisions of this Note shall control.

4. **Maturity; Balloon Payment.**

1. **Maturity Date.** Unless earlier paid in full, the entire unpaid Principal balance of this Note, together with all accrued and unpaid interest thereon and all other amounts due under this Note, shall be due and payable in full on or before **August 31, 2030** (the **Maturity Date**).
2. **Balloon Payment.** On or before the Maturity Date, Maker shall make a final lump-sum payment (the **Balloon Payment**) to Payee in an amount equal to:
 1. the entire then-outstanding Principal balance of this Note, which, absent prepayment of Principal, is anticipated to be One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (US \$1,467,800.00); plus
 2. all accrued but unpaid interest through the date of such Balloon Payment; plus
 3. any other sums then due and payable under this Note.
3. **No Scheduled Principal Amortization.** Except as may be required upon acceleration or permitted as prepayment pursuant to Section 5, no scheduled periodic payments of Principal are required prior to the Maturity Date. Maker acknowledges that this Note has no payment obligation until the Balloon Payment is made.

2. **Place and Method of Payment**

1. **Payment Location.** All payments of Principal, interest, and other amounts due under this Note shall be made in lawful money of the United States of America, in immediately available funds, at the offices of Payee located at 312 W. Whitewater St. P.O. Box 178, Whitewater, WI 53190, or at such other place within the United States as Payee may from time to time designate in writing in accordance with this Note.
2. **Form of Payment.** Payments shall be made by wire transfer, automated clearing house (ACH) transfer, bank draft, or other immediately available funds acceptable to Payee, in Payees sole but reasonable discretion. Maker shall bear all transaction fees and charges imposed by Makers financial institution related to the transmission of such payments.
3. **Application of Payments.** Unless otherwise directed by Payee or required by applicable law:

1. payments received shall be applied first to any costs of collection, fees, charges, and expenses (including reasonable attorneys fees) then due under this Note, next to accrued and unpaid interest, and then to unpaid Principal; and
 2. any partial payments shall not postpone the Maturity Date or cure any Event of Default except to the extent expressly provided in a written waiver by Payee.
4. **Business Day Convention.** If any payment under this Note would become due on a day that is not a Business Day (as defined below), such payment shall be due and payable on the next succeeding Business Day, and such extension of time shall be included in the interest computation. For purposes of this Note, a **Business Day** means any day other than a Saturday, Sunday, or legal holiday on which banks are authorized or required by law to be closed in the jurisdiction where Payees principal offices are located.

3. Prepayment

1. **Right of Prepayment.** Maker may, at any time and from time to time prior to the Maturity Date, prepay all or any portion of the outstanding Principal, together with all accrued but unpaid interest on the amount so prepaid to the date of prepayment, without premium or penalty, subject to the conditions of this Section 3.
2. **Effect of Partial Prepayment.** Any partial prepayment of Principal shall:
 1. be applied to reduce the outstanding Principal balance of this Note;
 2. not postpone or otherwise affect the scheduled Interest Payment Dates or the Maturity Date; and
 3. result in a corresponding reduction in subsequent Interest Payments as reflected in a revised amortization schedule to be prepared by Maker and reasonably approved by Payee, which shall thereafter be deemed to amend and restate Exhibit A.
3. **No Reborrowing.** Any amount of Principal prepaid under this Note may not be reborrowed.

4. Representations, Warranties, and Covenants of Maker

1. **Existence and Authority.** Maker represents and warrants that:

1. it has all requisite power and authority to own its properties, to carry on its operations as presently conducted, and to execute, deliver, and perform its obligations under this Note; and
2. the execution, delivery, and performance of this Note by Maker have been duly authorized by all necessary corporate, organizational, board, council, commission, or other governing body action, including, if applicable, the adoption of all required resolutions.

2. **No Conflict; Consents.** Maker represents and warrants that:

1. the execution, delivery, and performance of this Note do not and will not conflict with or violate any provision of Makers organizational documents or any law, regulation, order, judgment, or decree applicable to Maker; and
2. all consents, approvals, authorizations, or filings required for Maker to execute, deliver, and perform this Note have been obtained or made and are in full force and effect, including, if applicable, any approvals required under municipal finance, budgetary, or debt limitation laws.

3. **Enforceability.** This Note constitutes the legal, valid, and binding obligation of Maker, enforceable against Maker in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors rights generally and general principles of equity.

4. **Use of Proceeds.** Maker covenants that the proceeds of this Note shall be used solely for lawful public or City purposes, including but not limited to the creation of a revolving loan fund for development of single-family homes within the City of Whitewater, and not in violation of any applicable law, regulation, ordinance, or debt limitation applicable to Maker.

5. Events of Default

Each of the following shall constitute an **Event of Default** under this Note:

1. **Failure to Pay Principal or Balloon Payment.** Maker fails to pay when due (a) any installment of Principal required under this Note (whether scheduled or upon prepayment), or (b) the Balloon Payment on or before the Maturity Date, in each case subject to any applicable cure period expressly stated in this Note.
2. **Other Payment Obligations.** Maker fails to pay any other amount due under this Note within ten (10) days after written notice from Payee specifying such failure.

3. **Breach of Covenants.** Maker fails to observe or perform any material covenant, agreement, or obligation contained in this Note (other than payment obligations described above), and such failure continues for ten (10) days after written notice thereof from Payee specifying the nature of such failure; provided, however, that if such failure is not reasonably capable of being cured within such period, no Event of Default shall be deemed to have occurred so long as Maker commences cure within such period and thereafter diligently and in good faith pursues such cure to completion within an additional ninety (90) days.
4. **Unlawfulness.** It becomes unlawful for Maker to perform any material obligation under this Note or for Payee to enforce any material right or remedy under this Note, and such unlawfulness is not remedied within a reasonable period consistent with applicable law.

6. Remedies Upon Event of Default

Upon the occurrence and during the continuance of an Event of Default, Payee shall have the following rights and remedies, which shall be cumulative and in addition to any rights and remedies available at law or in equity:

1. Acceleration.

1. Upon written notice to Maker, Payee may declare the entire unpaid Principal amount of this Note, together with all accrued but unpaid interest thereon and all other sums due under this Note, to be immediately due and payable, whereupon such amounts shall become immediately due and payable without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Maker to the fullest extent permitted by law.
2. Payee may, in its sole discretion, rescind any notice of acceleration prior to the Maturity Date, but no such rescission shall be deemed a waiver of any existing or subsequent Event of Default.

2. Default Interest (If Permitted by Law).

1. From and after the occurrence of an Event of Default and for so long as such Event of Default is continuing, all outstanding amounts under this Note may, at the option of Payee to the extent permitted by applicable law, bear interest at a default rate per annum equal to the lesser of:
 1. the Interest Rate plus two percentage points (2%); or
 2. the maximum rate of interest permitted by applicable law.

2. Any default interest shall be in addition to, and not in lieu of, any other remedies available to Payee.
3. **Collection Costs and Attorneys Fees.** Maker shall pay on demand all reasonable costs and expenses incurred by Payee in enforcing this Note and exercising its rights and remedies upon an Event of Default, including, without limitation, reasonable attorneys fees and expenses, court costs, and costs of collection, to the extent permitted by applicable law.
4. **Remedies Cumulative; No Waiver.**
 1. No delay or failure by Payee in exercising any right or remedy under this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of the same or any other right or remedy.
 2. No waiver by Payee of any Event of Default shall be effective unless in writing and signed by an authorized officer of Payee, and any such waiver shall be limited to the specific default and instance expressly stated therein.

7. Usury Savings Clause

Notwithstanding any provision of this Note to the contrary, it is the intent of the Parties that neither this Note nor any sums paid or payable hereunder shall result in the imposition of interest in excess of the maximum amount permitted by applicable law. Accordingly:

1. **Limitation on Interest.** In no event shall Maker be obligated to pay, or Payee be entitled to receive, interest in excess of the maximum lawful rate of interest, if any, that may be charged under applicable law for the use, forbearance, or detention of money.
2. **Adjustment of Payments.** If any amount of interest or other charges, fees, or consideration, however characterized, paid or payable by Maker to Payee under this Note is determined by a court of competent jurisdiction to exceed the maximum amount permitted by applicable law, then:
 1. such excess shall be deemed a partial prepayment of Principal and shall be applied and credited to the reduction of the outstanding Principal balance of this Note; and
 2. if the amount of such excess exceeds the outstanding Principal balance, such excess shall be refunded to Maker.

3. **Construction.** All calculations of interest due under this Note shall be made to comply with applicable usury laws. This Section shall override and control all other provisions of this Note which may be in conflict or inconsistent with it.

8. Notices

1. **Notices Generally.** All notices, consents, demands, requests, approvals, and other communications required or permitted under this Note (each, a **Notice**) shall be in writing and shall be deemed given and received:

1. when delivered personally;
2. when sent by nationally recognized overnight courier service (delivery charges prepaid) with evidence of delivery;
3. when transmitted by confirmed facsimile or confirmed electronic mail (if accompanied by a PDF or similar scan of a signed writing), provided that a hard copy is also sent by another method permitted under this Section; or
4. three (3) Business Days after being deposited in the United States mail, postage prepaid, certified or registered, return receipt requested; in each case addressed to the Parties at the addresses set forth below or at such other address as a Party may designate from time to time in accordance with this Section.

2. **Addresses for Notice.**

FOR THE CITY:

City of Whitewater
Office of the Finance & Administrative Services Director
312 W Whitewater St
P.O. Box 178
Whitewater, WI 53190
Attention: Rachelle Blich
RBlich@Whitewater-wi.gov

With a copy to:

City of Whitewater
City Attorney's Office
312 W Whitewater St.
P.O. Box 178
Whitewater, WI 53190

Attention: Attorney Steven T. Chesebro
schesebro@whitewater-wi.gov

FOR THE PAYEE:

City of Whitewater Wastewater Utility
Office of the Finance & Administrative Services Director
312 W Whitewater St
P.O. Box 178
Whitewater, WI 53190
Attention: Rachelle Blich
RBlich@Whitewater-wi.gov

3. **Change of Address.** Either Party may change its address or other contact information for Notice by giving Notice of such change to the other Party in accordance with the procedures set forth in this Section, and such change shall be effective only upon receipt.

9. Governing Law; Jurisdiction; Venue

1. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of Wisconsin, without giving effect to any choice-of-law or conflict-of-law rules or principles that would cause the laws of any other jurisdiction to apply.
2. **Jurisdiction and Venue.**
 1. To the extent permitted by applicable law, Maker irrevocably submits to the nonexclusive jurisdiction of the state courts located in Walworth County, State of Wisconsin in any action or proceeding arising out of or relating to this Note.
 2. Maker irrevocably waives any objection it may now or hereafter have to the laying of venue of any such action or proceeding in any such court and any claim that any such action or proceeding has been brought in an inconvenient forum, subject always to any applicable governmental or sovereign immunities and procedural requirements.
3. **Municipal Law Considerations.** Nothing in this Note shall be construed to waive, limit, or modify any sovereign, governmental, or other immunities, defenses, or limitations on liability available to Payee or Maker under applicable law, except to the limited extent expressly permitted and authorized by such law.

10. Assignment; Successors and Assigns

1. **Assignment by Maker.** Maker shall not assign, transfer, or delegate its obligations under this Note, whether voluntarily, involuntarily, by operation of law, or otherwise, without the prior written consent of Payee, which may be granted or withheld in Payees sole discretion, except that no such consent shall be required in connection with a consolidation, merger, or reorganization of Maker with or into another public entity that assumes all of Makers obligations under this Note.
2. **Assignment by Payee.** Payee may assign or transfer its rights under this Note, in whole or in part, to another governmental entity, public agency, or financial institution, subject to any restrictions imposed by applicable law and any municipal policies or resolutions restricting such assignment. Any permitted assignee shall be entitled to all rights and remedies of Payee under this Note to the extent of the interest assigned.
3. **Binding Effect.** Subject to the foregoing, this Note shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

11. Waivers

1. **Waiver of Presentment, Demand, and Notice.** To the fullest extent permitted by law, Maker hereby waives presentment, demand for payment, protest, notice of protest, notice of dishonor, notice of nonpayment, and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Note, except as expressly required in this Note or by applicable law.
2. **No Waiver Implied.** No waiver of any provision of this Note shall be effective unless in writing and signed by the Party against whom enforcement of such waiver is sought. No waiver by Payee of any breach or default shall constitute a waiver of any other or subsequent breach or default.
3. **Partial Invalidity of Waivers.** If any waiver granted herein is held to be invalid or unenforceable under applicable law, such waiver shall be limited to the maximum extent permitted by such law, and the remaining provisions of this Note shall remain in full force and effect.

12. Relationship Between the Parties; Friendly Character of the Arrangement

1. **Independent Contracting Parties.** The Parties acknowledge and agree that they are independent contracting entities, each acting in its governmental, proprietary, and/or corporate capacity, as applicable. Nothing in this Note shall be construed to create a partnership, joint venture, agency, or fiduciary relationship between the Parties.

2. **Cooperative Public Purpose.** The Parties expressly recognize that this Note reflects a cooperative financial arrangement between a City and a Utility, undertaken for the purpose of promoting public welfare and efficient provision of City and municipal services. The Parties intend that this Note be administered in a spirit of mutual cooperation and good faith, consistent with the long-term relationship between the Parties and their shared responsibilities to the public.
3. **Good Faith and Fair Dealing.** Each Party covenants that it shall act in good faith and deal fairly with the other Party in the interpretation, performance, and enforcement of this Note, including in connection with any requested consents, approvals, or modifications that may be appropriate to respond to changing circumstances, subject always to applicable legal constraints and fiscal responsibilities.

13. Entire Agreement; Amendments

1. **Entire Agreement.** This Note, together with Exhibit A attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, understandings, and agreements, whether written or oral, relating to the same subject matter.
2. **Amendments and Modifications.** This Note may not be amended, modified, or supplemented except by an instrument in writing signed by duly authorized representatives of both Parties and, if required by applicable law, approved by their respective governing bodies or duly authorized officers.
3. **No Oral Modifications.** No oral statements, course of dealing, or trade usage shall modify, amend, or supplement the express written terms of this Note.

14. Severability

If any provision of this Note is held to be invalid, illegal, or unenforceable in any respect under any applicable law, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Note shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, to the extent that doing so does not materially and adversely affect the rights or obligations of either Party. The Parties further agree to negotiate in good faith to replace any such invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that most closely reflects the original intent of the Parties.

15. Headings; Construction

1. **Headings.** The headings, titles, and captions in this Note are for convenience of reference only and shall not affect the interpretation of any provision of this Note.
2. **Construction.**
 1. The terms herein, hereof, hereunder, and similar words refer to this Note as a whole and not to any particular section or provision.
 2. The words include and including shall be deemed to be followed by the words without limitation.
 3. Unless the context clearly requires otherwise, words of the singular number shall be deemed to include the plural and vice versa, and words denoting any gender shall be deemed to include all genders.
 4. This Note shall be construed without regard to any presumption or rule requiring construction against the Party causing this Note to be drafted; each Party acknowledges that it has had an opportunity to review this Note with counsel of its choice.

16. Counterparts; Electronic Signatures

1. **Counterparts.** This Note may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.
2. **Electronic Signatures.** Signatures delivered by facsimile, by electronic mail in portable document format (pdf) or similar electronic format, or by electronic signature in conformity with applicable electronic transaction laws, shall be deemed to be original signatures for all purposes and shall be binding upon the Parties to the same extent as an original signed counterpart.

17. Acknowledgment of Municipal and Public Law Requirements

1. **Appropriation and Budgeting (If Applicable).** The Parties acknowledge that Makers and/or Payees obligations under this Note may be subject to statutory or constitutional limitations on incurring debt or obligations in future fiscal years and may require appropriation of funds by the governing body in each fiscal year. To the extent required by applicable law:

1. this Note shall not constitute a general obligation of Maker or Payee, but shall be payable solely from lawfully available funds appropriated for such purpose; and
 2. nothing in this Note shall be deemed to obligate any governing body to appropriate funds for any fiscal year beyond the current fiscal year.
2. **No Waiver of Governmental Powers.** Nothing in this Note shall be construed to limit or restrict the governmental or regulatory powers of Maker or Payee, including their respective powers to adopt and enforce ordinances, regulations, tariffs, or policies in the public interest.
 3. **Public Records.** To the extent required by applicable public records or freedom of information laws, this Note and records related to it may be subject to public disclosure. Each Party shall be responsible for compliance with such laws with respect to records in its custody or control.

18. Miscellaneous

1. **Time of the Essence.** Time is of the essence with respect to all of Makers payment obligations and other performance obligations under this Note.
2. **Further Assurances.** Each Party agrees to execute and deliver such additional documents and to take such further actions as may be reasonably requested by the other Party and as are consistent with this Note, in order to carry out the purposes and intent of this Note.
3. **No Third-Party Beneficiaries.** This Note is entered into solely for the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Note, express or implied, is intended to confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever.
4. **Survival.** All provisions of this Note that by their nature should survive payment or satisfaction of this Note shall so survive, including, without limitation, provisions relating to payment of costs of collection and attorneys fees, waivers, governing law, jurisdiction, and venue.

IN WITNESS WHEREOF, Maker has executed and delivered this Promissory Note as of the Effective Date set forth above, and Payee hereby acknowledges receipt of and agreement to the terms of this Note, all by and through their duly authorized officers or representatives.

Maker:

CITY OF WHITEWATER:

BY: _____
John Weidl, City Manager

ATTEST:

BY: _____
Heather Boehm, City Clerk

AUTHENTICATION

Signature(s) John Weidl, City Manager and Heather Boehm, City Clerk, authenticated this ____ day of May, 2026.

Attorney Steven T. Chesebro
Title: Member State Bar of Wisconsin

I hereby certify that the necessary funds have been provided to pay the liability incurred by the City of Whitewater on the within Agreement.

Rachelle Blich
Finance & Administrative Services Director

APPROVED AS TO FORM:

Steven T. Chesebro City Attorney

Payee:

CITY OF WHITEWATER WASTEWATER UTILITY:

BY: _____

John Weidl, City Manager

ATTEST:

BY: _____
Heather Boehm, City Clerk

Exhibit A

Amortization Schedule

This Exhibit A forms an integral part of, is attached to, and is incorporated by reference in that certain Promissory Note dated as of May _____, 2026, made by City of Whitewater, as Maker, in favor of City of Whitewater Wastewater Utility, as Payee (the **Note**). Capitalized terms used in this Exhibit A and not otherwise defined herein shall have the meanings given to such terms in the Note.

1. **Loan Terms for Reference.**

1. **Principal (Original):** One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (US \$1,467,800.00)
2. **Interest Rate:** Three and a half percent (3.50%) per annum, simple interest
3. **Assumed Interest Basis:** 365-day year
4. **Commencement of Interest Accrual:** May _____, 2026
5. **Maturity Date (Balloon Payment Due):** August 31, 2030
6. **Interest Payment Frequency:** Annual on or before February 1

2. **Structure of Schedule.** The schedule below assumes:

1. that the full Principal amount of One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (US \$1,467,800.00) is advanced on the Effective Date and remains outstanding until the Maturity Date, except for any prepayments that may be made by Maker pursuant to Section 3 of the Note; and
2. that no prepayments of Principal are made. In the event of any prepayment of Principal, this schedule shall be adjusted as provided in the Note.

3. **Illustrative Payment Table.**

The table below is provided in a format suitable for completion once the Parties have selected the specific interest payment frequency and date conventions. The numerical values are to be populated based on the final selections and standard financial calculations consistent with the Note.

Number of Months	Date	Days in Period	Starting Balance	Interest Accrued	Payment	Cumulative Interest	Balance Due
1	6/1/2026		\$ 1,467,800.00	\$ -		\$ -	\$1,467,800.00
2	7/1/2026	30	\$ 1,467,800.00	\$ 4,228.31		\$ 4,228.31	\$1,472,028.31
3	8/1/2026	31	\$ 1,472,028.31	\$ 4,382.06		\$ 8,610.37	\$1,476,410.37
4	9/1/2026	31	\$ 1,476,410.37	\$ 4,395.10		\$ 13,005.47	\$1,480,805.47
5	10/1/2026	30	\$ 1,480,805.47	\$ 4,265.78		\$ 17,271.25	\$1,485,071.25
6	11/1/2026	31	\$ 1,485,071.25	\$ 4,420.88		\$ 21,692.13	\$1,489,492.13
7	12/1/2026	30	\$ 1,489,492.13	\$ 4,290.80		\$ 25,982.94	\$1,493,782.94
8	1/1/2027	31	\$ 1,493,782.94	\$ 4,446.82		\$ 30,429.75	\$1,498,229.75
9	2/1/2027	31	\$ 1,498,229.75	\$ 4,460.05	\$34,889.80	\$ 34,889.80	\$1,467,800.00
10	3/1/2027	28	\$ 1,467,800.00	\$ 3,946.05		\$ 38,835.85	\$1,471,746.05
11	4/1/2027	31	\$ 1,471,746.05	\$ 4,381.21		\$ 43,217.07	\$1,476,127.26
12	5/1/2027	30	\$ 1,476,127.26	\$ 4,252.30		\$ 47,469.37	\$1,480,379.57
13	6/1/2027	31	\$ 1,480,379.57	\$ 4,406.92		\$ 51,876.29	\$1,484,786.48
14	7/1/2027	30	\$ 1,484,786.48	\$ 4,277.25		\$ 56,153.53	\$1,489,063.73
15	8/1/2027	31	\$ 1,489,063.73	\$ 4,432.77		\$ 60,586.30	\$1,493,496.50
16	9/1/2027	31	\$ 1,493,496.50	\$ 4,445.96		\$ 65,032.27	\$1,497,942.46
17	10/1/2027	30	\$ 1,497,942.46	\$ 4,315.15		\$ 69,347.41	\$1,502,257.61
18	11/1/2027	31	\$ 1,502,257.61	\$ 4,472.04		\$ 73,819.46	\$1,506,729.65
19	12/1/2027	30	\$ 1,506,729.65	\$ 4,340.46		\$ 78,159.92	\$1,511,070.11
20	1/1/2028	31	\$ 1,511,070.11	\$ 4,498.28		\$ 82,658.19	\$1,515,568.39
21	2/1/2028	31	\$ 1,515,568.39	\$ 4,511.67	\$52,280.06	\$ 87,169.86	\$1,467,800.00
22	3/1/2028	29	\$ 1,467,800.00	\$ 4,087.17		\$ 91,257.04	\$1,471,887.17
23	4/1/2028	31	\$ 1,471,887.17	\$ 4,381.63		\$ 95,638.67	\$1,476,268.81
24	5/1/2028	30	\$ 1,476,268.81	\$ 4,252.71		\$ 99,891.38	\$1,480,521.52
25	6/1/2028	31	\$ 1,480,521.52	\$ 4,407.34		\$ 104,298.72	\$1,484,928.86
26	7/1/2028	30	\$ 1,484,928.86	\$ 4,277.66		\$ 108,576.38	\$1,489,206.52
27	8/1/2028	31	\$ 1,489,206.52	\$ 4,433.19		\$ 113,009.57	\$1,493,639.71
28	9/1/2028	31	\$ 1,493,639.71	\$ 4,446.39		\$ 117,455.96	\$1,498,086.10
29	10/1/2028	30	\$ 1,498,086.10	\$ 4,315.56		\$ 121,771.52	\$1,502,401.66
30	11/1/2028	31	\$ 1,502,401.66	\$ 4,472.47		\$ 126,244.00	\$1,506,874.13
31	12/1/2028	30	\$ 1,506,874.13	\$ 4,340.88		\$ 130,584.87	\$1,511,215.01
32	1/1/2029	31	\$ 1,511,215.01	\$ 4,498.71		\$ 135,083.58	\$1,515,713.72
33	2/1/2029	31	\$ 1,515,713.72	\$ 4,512.10	\$52,425.82	\$ 139,595.68	\$1,467,800.00
34	3/1/2029	28	\$ 1,467,800.00	\$ 3,946.05		\$ 143,541.73	\$1,471,746.05

35	4/1/2029	31	\$ 1,471,746.05	\$ 4,381.21		\$ 147,922.95	\$1,476,127.26
36	5/1/2029	30	\$ 1,476,127.26	\$ 4,252.30		\$ 152,175.25	\$1,480,379.57
37	6/1/2029	31	\$ 1,480,379.57	\$ 4,406.92		\$ 156,582.16	\$1,484,786.48
38	7/1/2029	30	\$ 1,484,786.48	\$ 4,277.25		\$ 160,859.41	\$1,489,063.73
39	8/1/2029	31	\$ 1,489,063.73	\$ 4,432.77		\$ 165,292.18	\$1,493,496.50
40	9/1/2029	31	\$ 1,493,496.50	\$ 4,445.96		\$ 169,738.14	\$1,497,942.46
41	10/1/2029	30	\$ 1,497,942.46	\$ 4,315.15		\$ 174,053.29	\$1,502,257.61
42	11/1/2029	31	\$ 1,502,257.61	\$ 4,472.04		\$ 178,525.33	\$1,506,729.65
43	12/1/2029	30	\$ 1,506,729.65	\$ 4,340.46		\$ 182,865.79	\$1,511,070.11
44	1/1/2030	31	\$ 1,511,070.11	\$ 4,498.28		\$ 187,364.07	\$1,515,568.39
45	2/1/2030	31	\$ 1,515,568.39	\$ 4,511.67	\$52,280.06	\$ 191,875.74	\$1,467,800.00
46	3/1/2030	28	\$ 1,467,800.00	\$ 3,946.05		\$ 195,821.79	\$1,471,746.05
47	4/1/2030	31	\$ 1,471,746.05	\$ 4,381.21		\$ 200,203.00	\$1,476,127.26
48	5/1/2030	30	\$ 1,476,127.26	\$ 4,252.30		\$ 204,455.31	\$1,480,379.57
49	6/1/2030	31	\$ 1,480,379.57	\$ 4,406.92		\$ 208,862.22	\$1,484,786.48
50	7/1/2030	30	\$ 1,484,786.48	\$ 4,277.25		\$ 213,139.47	\$1,489,063.73
51	8/1/2030	31	\$ 1,489,063.73	\$ 4,432.77		\$ 217,572.24	\$1,493,496.50
Final	8/31/2030	30	\$ 1,493,496.50	\$ 4,302.34		\$ 221,874.58	\$1,497,798.84

*Note: The final interest payment amount may be prorated to reflect the actual number of days elapsed to the date of the Balloon Payment.

4. Adjustment for Prepayments. In the event Maker makes any prepayment of Principal pursuant to Section 3 of the Note:

1. Maker shall prepare a revised amortization schedule reflecting:

1. the date and amount of each such prepayment;
2. the resulting reduced Principal balance; and
3. the revised amounts of future Interest Payments and remaining Balloon Payment amount, taking into account the reduced Outstanding Principal Balance and continued application of the Interest Rate and compounding methodology set forth in the Note.

2. such revised schedule shall become an amendment to this Exhibit A upon written approval by Payee, which shall not be unreasonably withheld, conditioned, or delayed.

[SIGNATURE PAGE TO FOLLOW]

ACKNOWLEDGED AND APPROVED AS OF THE EFFECTIVE DATE OF THE NOTE:

Maker:

CITY OF WHITEWATER:

BY: _____
John Weidl, City Manager

ATTEST:

BY: _____
Heather Boehm, City Clerk

AUTHENTICATION

Signature(s) John Weidl, City Manager and Heather Boehm, City Clerk, authenticated this ____ day of May, 2026.

Attorney Steven T. Chesebro
Title: Member State Bar of Wisconsin

I hereby certify that the necessary funds have been provided to pay the liability incurred by the City of Whitewater on the within Agreement.

Rachelle Blich
Finance & Administrative Services Director

APPROVED AS TO FORM:

Steven T. Chesebro City Attorney

Payee:

CITY OF WHITEWATER WASTEWATER UTILITY:

BY: _____
John Weidl, City Manager

ATTEST:

BY: _____
Heather Boehm, City Clerk

A RESOLUTION TO APPROVE ENTERING INTO A INTERFUND LOAN AGREEMENT BETWEEN THE WASTEWATER UTILITY AND THE GENERAL FUND

WHEREAS, the City intends to enter into a development agreement with Stonehaven Development, LLC which requires the creation of a 1.2 million dollar revolving loan fund and \$280,000 upfront payment to incentivize the construction of 14 single family homes within the City of Whitewater,

WHEREAS, the Wastewater fund has 1.2 million dollars available currently earning 3.5% interest in a savings account; and,

WHEREAS, should the City obtain a loan outside of an interfund loan it would likely have to repay interest around 7% APR; and

NOW, THEREFORE BE IT RESOLVED, That the Common Council of the City of Whitewater authorizes the appropriate City Officials to enter into a Interfund Loan Agreement with Wastewater Utility in the amount of One Million Four Hundred Sixty-Seven Thousand Eight Hundred Dollars (\$1,467,800.00), with interest to be paid back annually in February and an interest rate of ____ % and the full loan to be paid back on or before August 31, 2030 in substantially the form of the Promissory Note attached hereto as Exhibit A.

Resolution was introduced by Council Member _____, who moved for its adoption.

Seconded by Council Member _____.

DATE	4/20/26			
	YES	NO	PASS	ABSENT
Michael Smith				
Orin Smith				
Steven Sahyun				
Brian Schanen				
Neil Hicks				
Greg Majkrzak				
Patrick Singer				
Total:				

ADOPTED: _____

John Weidl, City Manager

RESOLUTION NO.

ATTEST:

Heather Boehm, City Clerk