

*Delivered via email*



N63W23849 Main Street  
Sussex, WI 53089

September 30, 2021

Attorney Alan Marcuvitz &  
Mr. Michael Weiss  
10140 North Port Washington Road  
Mequon, WI 53092-5741

**Re: TERMS SHEET FOR THE PURCHASE OF VILLAGE PROPERTY**

Dear Attorney Marcuvitz & Mr. Weiss:

It is our understanding that you represent the Seller in association with the sale of the Village ("Seller") property on Brown Deer Road. Pursuant to our discussions we are delivering to you this Terms Sheet, which sets forth the general terms and conditions of our proposed purchase of the Property by an entity to be formed by our company, Cornerstone Development of SE WI LLC ("Purchaser"). While this proposal does not reflect all of the terms and conditions of the legally binding, definitive purchase agreement necessary to complete the proposed transaction, it should set forth certain basic information necessary to allow the Purchaser and Seller to proceed with the preparation, negotiation, and execution of such a purchase agreement, as well as Purchaser's due diligence review of the Property. Our proposal is as follows:

- Subject Property:** The term "Property" shall include the land and improvements located in the Village of River Hills, County of Milwaukee, State of Wisconsin, commonly known as 25.18 acres and a portion of Tax Key Nos. 0249994001 ("Parcel 1") 0249994002 ("Parcel 2") and 0249993000 ("Parcel 3") as further depicted on the Site Plan attached hereto as Exhibit A, together with all rights of ingress and egress and easements benefiting the Property.
- Purchase Price:** Two Million Five-Hundred Thousand and 00/100 Dollars (\$2,500,000.00) ("Purchase Price").
- Purchase Agreement:** The Purchase Agreement shall contain the terms outlined in this Letter and such other terms and conditions as are customary and as the parties may mutually agree upon.
- Assumptions:** The Property shall be developed as conceptually depicted on Exhibit A as a condominium neighborhood with the following attributes:
- Private roads (after the boulevard entrance as partially created by the Seller) with Village easements over the top of the utilities; the entire property, including the roads, shall be privately and professionally maintained by the new condominium association

**Assumptions (continued):**

- 54-56 stand-alone single-family condominiums architecturally approved by the Seller; initial conceptual renderings are attached as Exhibit B
- Purchaser anticipates end-sale total value proposition of no less than \$36,000,000 in taxable increment value growth for the Village within 7 years
- The adjacent MMSD water conservancy parcel shall be improved with the following enhancements, which shall remain in perpetuity for the benefit of both properties unless future mutual agreements between both properties are adapted:
  - Retention ponds that benefit the subject Property
  - Walking trails for public use as roughly depicted on Exhibit A
- The Purchaser shall not accommodate sanitary sewer or water upsizing for future Village developments
- The Village shall create a TIF or other vehicle to pay for the costs associated with the following public improvements in furtherance of Purchaser's future intended build out:
  - Water and sewer services connection to the property line and no impact fees for these services
  - Any Brown Deer Road enhancements, extensions and permits as dictated by municipal authorities and/or DOT to allow for ingress/egress to the new development
  - The above obligations from the Village, as Seller, shall be incorporated within a Development Agreement
  - The Purchaser and Seller shall enter into a Predevelopment Agreement to advance the project as follows:
    - The Seller shall create the final engineered plans for the above elements and shall bid them out publicly for completion; Concurrently the Seller shall provide said plans to the Buyer who in turn will bid the same plans privately to firms who would engage in the entire project, including infrastructure work on the new development. Should the Buyer obtain proposals that are less than the Village's public work proposals then the Seller/Village shall agree to allow the Buyer to coordinate/oversee and manage the construction of these elements under Village specs and guidelines. The Seller/Village would reimburse only the Buyer's direct expenditures consistent with the public bid figures, thereby creating an incentive for the Buyer to manage the work efficiently. The reimbursement, including engineering cost, shall be identified as TIF eligible project cost in the Development Agreement.
  - The Purchaser would assure value creation and completion of the entire development in no less than 60 months from the start of construction in the Development Agreement.

**Expected Contingencies/  
Due Diligence/Timing:**

The future Purchase Agreement shall provide for an “Initial Contingency Period” of One Hundred and Eighty (180) days from the date of execution of the Purchase Agreement, and further provide for one (1) ninety (90) day extension (the “Extension Period”), at Purchaser’s option, during which periods Purchaser shall investigate, inspect, and study the Property to determine if all aspects of the Property are acceptable to Purchaser, and to obtain all other approvals, permits, certifications, and financing on acceptable terms, the acceptability of all items being in Purchaser’s sole and absolute discretion (the Initial Contingency Period with the Extension Period, if applicable, referred to as “Due Diligence Period”). Seller will provide reasonable access to the Property to Purchaser and Purchaser’s third-party agents and vendors during the Due Diligence Period and Seller will cooperate with Purchaser’s efforts to satisfy its contingencies, including providing Purchaser with relevant due diligence materials and cooperating with third parties to provide requisite detail.

**Closing:**

Closing shall occur within thirty (30) days after the expiration of the Due Diligence Period (“Closing”). At Closing, Seller shall deliver possession and marketable, fee simple title to Purchaser by a special warranty deed, free and clear of any liens, encumbrances, occupancy rights or other exceptions except as expressly approved in writing by Purchaser.

**Confidentiality:**

Purchaser and Seller shall not disclose, and shall cause their respective representatives not to disclose, to any third party the terms, provisions, information, or status of negotiations with respect to the proposed acquisition and sale of the Property as outlined herewith; however, disclosures may be made: (i) to respective representatives who need to know such information for the purpose of evaluating or negotiating the proposed purchase and sale including respective partners, agents, intended assigns, and professionals who may assist with the matters concerning the purchase and sale of the Property, and (ii) to the extent required by applicable law, regulation, or legal or administrative process.

**Commissions:**

The parties acknowledge and agree that there are no brokers involved in association with the purchase and sale of the Property, and thus, no commissions will be paid.

Hopefully this Letter summarizes the high points needed to move next to both a binding Purchase Agreement between Purchaser and Seller as well as set a road map for the concurrent approvals including TIF creation, project plan, predevelopment engineering, etc. We realize that this is a non-binding agreement and that no terms and conditions are final, but it should capture the elements of our mutual expectations that we have discussed previously.

Sincerely,

John Wahlen

**Cornerstone Development of S.E. WI., LLC**  
**“Building Exceptional Lifestyles. Every day!”**  
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# EXHIBIT A – CONCEPTUAL LAYOUT OF THE PROPERTY

## SITE SUMMARY

- 53.4 ACRES SUBJECT AREA
- 25.18 ACRES ALLOCATED FOR DEVELOPMENT WITH AND CONTAINING +8.0 ACRES OPENSAPCE/AMENITY AREAS
- 28.22 ACRES DEDICATED FOR CONSERVATION
- 54 SINGLE FAMILY HOMES



## TYPICAL HOME LAYOUT

- 4 UNIQUELY STYLED HOMES
- 25' -30' MIN BETWEEN BUILDINGS
- 50' SCALE



# THE GLEN OF RIVER HILLS

CONCEPT SITE PLAN- DRAFT

River Hills, Wisconsin



**CORNERSTONE**  
DEVELOPER  
183 W. JAMES HALL STREET  
BROOKFIELD, WI 53005



4100 N. CALHOUN ROAD  
SUITE 300  
BROOKFIELD, WI 53005

CIVIL ENGINEER  
SUPERVISOR  
LAND PLANNER  
LANDSCAPE ARCHITECT

September 20th, 2021



**EXHIBIT B – CONCEPTUAL RENDITIONS OF POTENTIAL NEW HOMES FOR  
THE GLEN OF RIVER HILLS**

Version A -- “Country Comfortable” architectural presentation...



...or

Version B -- “European Country Cottage” architectural presentation...

