

## SIMULTANEOUS EXCHANGE AGREEMENT

This Agreement is made and entered into by and between REGENCY HILLS-VILLAGE GREEN, LLC ("Regency Hills") and NORTHERN OZAUKEE SCHOOL DISTRICT (the "District").

### RECITALS

WHEREAS, Regency Hills is the developer of real estate situated in the Village of Fredonia, Ozaukee County, Wisconsin, which Regency Hills desires to develop as Village Green Subdivision (the "Subdivision"); and

WHEREAS, the District is the record owner of real estate situated adjacent to the real estate of Regency Hills; and

WHEREAS, as depicted on Exhibit A attached hereto, Regency Hills is desirous of exchanging a portion of its real estate hereinafter referred to as Parcel 1 (and more particularly described on Exhibit B attached hereto) for the real estate of the District hereinafter referred to as Parcel 2 (and more particularly described on Exhibit C attached hereto); and

WHEREAS, the District is desirous of exchanging Parcel 2 for Parcel 1 and obtaining an option to purchase certain Subdivision lots; all as hereinafter set forth.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do hereby agree as follows:

1. Real Estate Exchange. Regency Hills and the District agree to exchange Parcel 1 for Parcel 2. As to Parcel 1, Regency Hills is the Grantor and the District is the Grantee. As to Parcel 2, the District is the Grantor and Regency Hills is the Grantee. Unless otherwise indicated, the words "Property" or "Parcel", "Grantor" and "Grantee" shall apply separately to both aspects of the transaction.

2. Property Condition Representations. Grantor represents to Grantee that, as of the date of this Agreement, Grantor has no notice or knowledge of any of the following conditions affecting the Property or transaction:

A. Planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property.

- B. Government agency or court order requiring repair, alteration, or correction of any existing condition.
- C. Completed or pending reassessment of the Property for tax purposes.
- D. Any land division involving the Property for which required state or local approvals were not obtained.
- E. Any portion of the Property being in a 100-year flood plain or shoreland zoning area under local, state, or federal regulations.
- F. Material violations of environmental laws or other laws or agreements regulating use of the Property.
- G. Conditions constituting a significant health or safety hazard for occupants of the Property.
- H. Underground storage tanks on the Property.
- I. High voltage electric or steel natural gas transmission lines located on, but not directly serving, the Property.
- J. Material levels of hazardous substances located on the Property.
- K. Other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

3. "As Is" Condition. Except as set forth herein, the Grantor conveys the Property to Grantee in an "as is" condition without warranty as to the condition of the Property or any portion thereof. Grantee relies upon Grantee's own knowledge and inspection in purchasing the Property.

4. Title Evidence. Regency Hills will obtain evidence of title on both Parcels in the form of commitments for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. The policies shall be in the amount of Fifty-Four Thousand One Hundred Twenty-Five Dollars (\$54,125.00), being the Property's fair market value. Grantee shall pay all costs of providing title evidence for the parcel to be conveyed to Grantee, including the cost of any requested endorsements and any required lender's policy premium. For the purpose of closing, title evidence shall be acceptable if the commitment for the required title insurance policy is obtained by Grantee not less than five (5) business days before closing showing title to the Property as of a date no more than twenty (20) days before delivery of such evidence to be merchantable, subject only liens which will be paid out of the proceeds at closing and standard title insurance requirements and exceptions, as appropriate. If title is not acceptable for closing, Grantee shall notify Grantor in writing of objections to title by

the time set for closing. In such event, Grantor shall have a reasonable time, but not exceeding fifteen (15) days, to remove the objections and the time for closing shall be extended as necessary for this purpose. In the event that Grantor is unable to remove said objections, Grantee shall have five (5) days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Grantee does not waive the objections, this Agreement shall be null and void.

5. Special Assessments. Special assessments, if any, for work on site actually commenced or levied on the Property prior to the date of this Agreement shall be paid by Grantor no later than closing. All other special assessments shall be paid by Grantee.

6. District's Contingencies. The obligation of the District to proceed to closing is contingent upon the following:

A. The District's review and approval of any and all pending special assessments and/or other plans for improvements benefiting the Property to be acquired by the District.

B. The District's review and approval of the commitment for title insurance and any restrictive covenants placed upon the Property to be acquired by the District, the wetland delineation to be furnished by Regency and such other information as the District, in its discretion, believes is reasonably necessary to be certain that the Property to be acquired by the District is suitable for the District's intended use.

These contingencies may be satisfied by the District delivering to Regency on or before fifteen (15) days after the later of (i) the District being furnished with the wetland designation for the Property, or (ii) the District being furnished with the commitment for title insurance required by Section 4, above, the District's waiver of these contingencies in writing; otherwise, this Agreement shall be null and void and of no further force and effect.

7. "Like Kind" Exchange. The District understands that Regency has elected to consummate this transaction as part of a tax-deferred, "like kind" exchange under Section 1031 of the Internal Revenue Code. The District agrees to cooperate with Regency in such exchange. Any costs associated with the exchange portion of the transaction shall be borne by Regency. In addition, Regency hereby agrees to indemnify, defend and hold the District harmless from and against any claims, suits, actions, damages, or liabilities as may arise as a reason of the District's cooperation with respect to the effectuation of a tax-deferred "like kind" exchange as contemplated herein.

8. Closing. Thirty (30) days after the District waives the contingencies in paragraph 6 hereof, this transaction is to be closed at \_\_\_\_\_ no later than \_\_\_\_\_, unless another date or place is agreed to in writing by Regency and the District. If the parties agree to conduct the closing by escrow, each party shall deposit with the selected escrow agent all funds and documents necessary to complete the exchange according to the terms of this Agreement. At the time of closing:

A. Grantor shall convey the Property to Grantee by Warranty Deed, free and clear of all liens and encumbrances except municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, if any, any other title matters to which Grantee has not objected pursuant to Section 4, above, and general taxes levied in the year of closing, which constitutes merchantable title for purposes of this transaction.

B. Grantor and Grantee further agree to complete and execute the Wisconsin Real Estate Transfer Return and other documentation necessary to record the conveyance.

C. The parties shall execute an exchange closing statement in usual form, with the Grantee of each parcel being responsible for payment of the title insurance premium, Wisconsin Real Estate Transfer Tax and recording fee for the Property conveyed to such Grantee.

9. Subdivision Development. As the developer of the Subdivision, Regency agrees that Village Green Subdivision will be platted, developed and improved as follows:

A. The storm water and drainage system will be designed, graded and installed so that surface water is retained on site within the Subdivision and will not drain upon the property of the District (including both the property being acquired by the District pursuant to this Agreement and the adjoining existing school site of the District). The District shall have the right to review the Master Grading Plan and Stormwater Management Report to verify the plans adequately serve the District's needs for the future.

B. Sanitary sewer, water, and storm sewer conveyance facilities and stormwater management basins shall be placed within the Subdivision street right-of-ways and outlots. Stormwater detention will be provided to contain and treat all stormwater runoff excluding wetland and adjacent low lying areas, from the District's parcel and adjoining future school property, such that no detention facilities (other than a dry detention basin) will be located on the District's property. The stormwater discharge rate from the District's property shall be equal to, or less than, the predeveloped 100 year stormwater event flow rate (8.0 cubic feet per second) from the approximate 9.4 acres of the District's property currently discharging east/northeast onto the Village Green property. Easements appropriate to the conveyance of stormwater from the proposed school to the area stormwater basin shall be placed upon the Final Plat of Village Green.

C. Access for emergency vehicles to the District's school site shall be provided between Lots 62 and 63 of the proposed Subdivision.

D. Wetlands on both Parcel 1 and Parcel 2 shall be delineated by Regency Hills at its sole cost and expense and a copy of the delineation shall be delivered to the District by May 15, 2006.

E. Regency shall construct an auxiliary access driveway between Lots 62 and 63 of the Subdivision to be used for emergency and maintenance vehicle ingress and egress. The access drive shall either be paved or geo-grid surfaced as approved by the Village of Fredonia and/or any other governmental agency that shall have governance over the project.

10. Option to Purchase. Attached hereto, marked Exhibit D and made a part hereof is a copy of a portion of the Preliminary Plat of the Subdivision confirming the location of proposed Lots 53-57 and 63 (the "Optioned Lots"). Regency shall advise the District in writing at the time of approval of each Final Plat of a phase of the Subdivision containing one (1) or more Optioned Lots by the Village Board of the Village of Fredonia or any addition to the Subdivision in which one (1) or more Optioned Lots are located (each, a "Notice Date"). The District is given the option to purchase some or all of the Optioned Lots. If the District desires to exercise said option to purchase, it shall notify Regency in writing within sixty (60) days of the Notice Date applicable to the particular Optioned Lot(s) that the District wishes to purchase. Unless the District specifically includes within its notice a request that Regency install laterals on the Optioned Lots, the Optioned Lots will not have laterals installed. The purchase price for each Optioned Lot shall be an amount equal to Regency's actual cost thereof (plus the actual cost of installing laterals if requested by the District), which cost shall be defined for purposes hereof as an amount equal to Regency's tax basis in such Optioned Lot. Regency shall provide the District and its accountants and attorneys with reasonable access to its books and records in order to confirm its cost in each Optioned Lot. Upon confirmation of the purchase price, Regency shall provide the District with a commitment for a title insurance policy in the amount of the purchase price free of all restrictive covenants imposed by Regency as the developer and subject only to standard exceptions. The sale shall be closed within thirty (30) days thereafter. At the time of closing, Regency shall convey the Property to the District by Warranty Deed, free and clear of all encumbrances except municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, and general taxes levied in the year of closing, which constitutes merchantable title for the purposes of this transaction. Regency will release any Optioned Lot purchased by the District from any and all covenant(s) or restriction(s) which may be placed on the Subdivision by Regency except as it relates to the District having to abide by the grading plan and not impede the flow of water. The parties shall cooperate in executing a recordable memorandum of the option granted herein upon request of either party.

11. Entire Agreement. This Agreement contains the entire agreement of the parties regarding the transaction. All prior negotiations and discussion have been merged into this Agreement.

12. Notices. Unless otherwise stated in this Agreement, delivery of documents and written notices to a party shall be effective only when accomplished in any of the following ways:

A. By depositing the document or written notice, postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a commercial delivery system addressed to the party at the addresses set forth at the signature lines of this Agreement.

B. By giving the document or written notice personally to the party or the party's agent.


C. By electronically transmitting the document or written notice to the facsimile telephone number of the parties set forth at the signature lines of this Agreement. Any signed document transmitted by fax shall be considered an original document and shall have the binding and legal effect of an original document. The signature of any party upon fax document shall be considered an original signature.

13. Benefit. This Agreement binds and inures to the benefit of the parties to this Agreement and their successors in interest.

IN WITNESS WHEREOF, this Agreement is made and entered into as of the date upon which the last party hereto has executed this Agreement.

Date: 1/12/, 2006

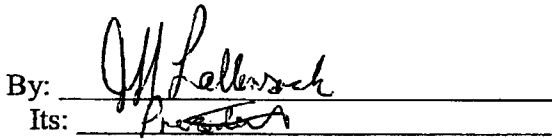
REGENCY HILLS-VILLAGE GREEN, LLC

By:   
Its: Member

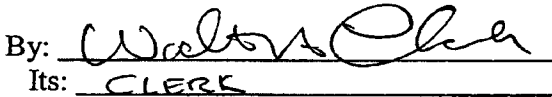
Address:  
5008 Green Bay Road  
Kenosha, Wisconsin 53144

Date: 2/13/, 2006

NORTHERN OZAUKEE SCHOOL DISTRICT

By:   
Its: President

Attest:

By:   
Its: CLERK

Address:  
401 Highland Drive  
Fredonia, WI 53021