*** All present are expected to conduct themselves in accordance with our City's Core Values ***

OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting: Economic Development Committee
Date/Time: Tuesday, June 6, 2023 at 5:15 p.m.
Location: City Hall, Council Chambers

Members: Sarah Watson (C), Chad Henke (VC), Lisa Rasmussen, Tom Kilian, and Carol Lukens

AGENDA ITEMS FOR CONSIDERATION

(All items listed may be acted upon)

1. Approval of Minutes from May 2, 2023.
2. JEM presentation on The River. *(Ellis and Dybdahl)*
3. Discussion and possible action directing staff to begin negotiations on The River development.
4. Discussion and possible action on First Amendment to Development Agreement and Second Amendment to Master Ground Lease between City of Wausau and Federal Building Redevelopment Limited Partnership. *(Stratz)*
5. Discussion and possible action on possible sale of 1408 Bissell Street. *(Stratz)*
6. Discussion and possible action approving Second Amendment to Planning Option for Commonwealth Real Estate Acquisitions, LLC at 700 Grand Avenue. *(Fifrick)*
7. Discussion and possible action on waiver of Right of First Refusal at 7130 Packer Drive. *(Fifrick)*
8. Discussion and possible action approving Skywalk Easement Agreement with Foundry on 3rd PH1, LLC for connection to parking ramp formerly known as the Sears ramp. *(Brodek, T Wall rep)*
9. Discussion and possible action approving the sale of tangible personal property and fixtures of Bull Falls Brewery, LLC, located at 836 and 900 East Thomas Street in TID #9, by auction. *(Jacobson)*
10. **CLOSED SESSION** pursuant to s. 19.85(1)(e), Wis. Stats., 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, *regarding approval of the sale of tangible personal property and fixtures of Bull Falls Brewery, LLC, located at 836 and 900 East Thomas Street in TID #9, by auction.*
11. **RECONVENE IN OPEN SESSION**, to take action on closed session item, if necessary.
12. Adjourn.

It is likely that members of, and a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau will be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

This Notice was posted at City Hall and emailed to the Media on 6/2/23

Members of the public who do not wish to appear in person may view the meeting live on Channel 981 of Cable TV or the City of Wausau Meetings YouTube Channel at **https://tinyurl.com/WausauCityCouncil** (go to playlist and choose the meeting playlist desired). Any person wishing to offer public comment who does not appear in person to do so, may email **Liz.Brodek@ci.wausau.wi.us** with "EDC public comment" in the subject line by 4:30 p.m. on the meeting day. All public comments received, either by email or in person, if agendized, will be limited to items on the agenda only. Messages related to agenda items received by 4:30 p.m. on the meeting day will be provided to the Committee Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in it's services, programs or activities. If you need asssitance or reasonable accommodations to participate in this meeting or event due to a disability as defined under the ADA, please call the ADA Coodinator at (715) 261-6622 or email ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event, the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, Alderpersons, Mayor, City Departments

MINUTES

Economic Development Committee Meeting

Date / Time: Tuesday, May 2, 2023, at 5:15 P.M. | ***Meeting called to order by*** Henke at 5:15 P.M.

In Attendance

Members Present:	Chad Henke (VC), Tom Kilian, Lisa Rasmussen, Carol Lukens
Members Absent:	Sarah Watson (C)
Others Present:	Shannon Graff, Tammy Stratz, Liz Brodek Atty. Anne Jacobson, Mayor Katie Rosenberg, Maryanne Groat, Andy Brueggemann, Christopher Naumann

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner.

Agenda Item 1 – Approval of Minutes from 3/7/23

Kilian motioned to approve minutes from 3/7/23, seconded by Lukens ***Approved Unanimously 4-0***

Agenda Item 2 – Approval of Minutes from 4/11/23

Kilian motioned to approve minutes from 4/11/23, seconded by Rasmussen ***Approved Unanimously 4-0***

Agenda Item 3 – Presentation on Thomas Street Visual Preference survey results (Naumann)

Christopher Naumann from Christopher Max Design & Development, LLC presented the results and summary from the Visual Preference Surveys conducted on March 27, 2023, and April 5, 2023, regarding construction of single family homes on the vacant lots of Thomas Street. The results and summary can be found on YouTube at the link below:

https://www.youtube.com/watch?v=uKM5yERKIMo&list=PLTKmYFdlHPXfMAcOXOwUdEkTUEEE7GCoZ&index=1

Brodek noted there were 44 participants out of over 250 fliers that were distributed by hand door-to-door which equates to a 17.6% response rating. Brodek questioned if the committee is comfortable with that as a response or if they would like to hold a 3rd visual preference survey.

Rasmussen commented that she thought the response rate was good, noting that historically it was said that a 'reliable enough' sample would be sufficient and seeing as the surveys resulted in a reasonable turnout, another survey isn't necessary. Rasmussen also noted the topics covered were diverse and provided asked was important information that should be relied on as it moves into the design process. She also said that since ARPA dollars are being used, it's important to be mindful of the cost but also try to incorporate the elements the neighborhood would like to see and the number of homes to be built will have to be reviewed once the costs are determined.

Henke commented he took the survey and thought it was presented well and a good result was received.

Brodek provided the committee with a timeline of the next steps in the process. She said the first step is to create an internal group to put the pieces of the Visual Preference Survey together. She foresees the participants to include a planner, real estate agent, developer, contractor, environmental and structural engineer, and a neighborhood resident who took the survey but wants input from the committee if there is anyone else that should be consulted. Brodek acknowledged environmental concerns in certain areas and explained staff will be submitting an application for a DNR Grant for an environmental assessment. Brodek hopes to bring that to Council soon but noted she heard the turnaround time could be long. Brodek said she'd then like to reconvene with the neighborhood to present some designs for their input which she estimated to be somewhere between late summer to late fall. She said an additional two neighborhood meetings would be held after that for the residents to provide any additional feedback. Once those are completed, the renderings will be tweaked to conform with the neighborhood opinions with the hopes of then putting it out to bid by the end of this year. Brodek noted since we are using ARPA funds, they need to be committed by 12/31/24 and expended by 2026 so if any part of the process takes a bit longer, as long as the funds are committed, it should still meet the deadline requirement.

Agenda Item 4 – Discussion and possible action on approving sale of 1316 and 1407 N Second Street to Habitat for Humanity (Stratz)

Stratz explained that an offer to purchase was received by Habitat for Humanity for two parcels on North Second Street. She noted Habitat is in the process of completing their home for 2023 on North Sixth Avenue and will be able to build two homes in 2024.

Rasmussen commented she is excited Habitat is able to put up two homes next year and that the homes they've built in other neighborhoods has garnered a positive relationship among all involved.

Rasmussen motioned to approve the sale of both sites, seconded by Kilian. ***Approved Unanimously 4-0***

Kilian agreed with Rasmussen and noted he is happy to see the homes in the area of a newer, higher cost development. He stated that although the development looks nice, in working class neighborhoods there's a difference between revitalization and gentrification so he was pleased to see preservation of affordable housing and hopes there is more to balance out the pricing in the area.

Agenda Item 5 – Discussion and possible action on Commercial Rehabilitation Loan Program Policy (Stratz)

Stratz reminded the committee about the commercial rehabilitation application presented at March's meeting which prompted discussion about the current commercial rehabilitation loan guidelines and a request to have them revamped to comply with the commercial market today. Stratz said there was dialogue with staff on how the guidelines should look, keeping in mind the city is a gap financer and the commercial rehab funds are currently limited, there were not a lot of the guidelines that could be changed. She noted they still want to keep the max loan amount at 25% of the total project cost but did say there was discussion on changing the terms of the loan. Stratz said the terms is currently a 15 year term, 1st year deferred payments and 3% no matter how much is borrowed. She commented she'd like the interest rate to be 3% if under $100,000 and 4% if over that but also cap the loan amount at $200,000. She also asked the committee for feedback on how they'd like applications brought to them, asking if they'd like a report of loans made on a semi-annual basis or continue to bring forth each application for consideration noting that sometimes borrowers are in a time crunch and being able to bypass taking application to a couple of committees for approval, it could move things along a bit faster.

Rasmussen commented this program has had measurable success over the years and noted the program has always been staff approved and then reported back to the committee. She agreed that receiving a semi-annual report for the loans that have been made is sufficient because she trusts who is managing the program. She mentioned the commercial rehab application presented in March wasn't a bad application, but it was asking for an exception to the guidelines which she disagrees with doing. She said when guidelines are established, they need to be followed and she doesn't want to see exceptions being made for anyone. Rasmussen suggested the more flexibility and have larger loans repaid within 10 years or less depending on viability of the project, so the loan fund can be recapitalized and be loaned out again. She also suggested incorporating flexibility in the cap limit because worthy projects may be presented that could be funded at 35-40% but the 25% cap would limit those opportunities.

Kilian agreed with Rasmussen on shortening the repayment terms but disagrees with increasing the cap of 25% too much if that amount has worked in the past.

Henke asked if there is a state statute that required the repayment terms to be 15 years.

Stratz replied that the commercial rehab funds are not federal funds so the guidelines can be structured as we want. She said she likes the idea of a 10 year payback but also struggles with it because it's smaller businesses who utilize these funds and if they have a larger payment they may not be able to cash flow. She noted she has discussions with business on what works for them and what they can afford so they are set up for success.

Rasmussen suggested changing the verbiage to read "financing assistance shall be made as loans not to exceed a 15 year amortization" so the repayment term can be negotiated at the front end so if it's possible to have it repaid sooner, then it opens up the ability to capitalize other things faster.

Henke asked if there was a time crunch in completing the updates to the criteria. Stratz replied there is not. Rasmussen and Henke suggested staff take another month to update the guidelines based on feedback received.

No action was taken on this item.

Agenda Item 6 – Adjournment

Kilian motioned to adjourn, seconded by Lukens ***Approved Unanimously 4-0***

Meeting adjourned at 6:09 p.m.

THE RIVER

June 06, 2023

RE: Development Proposal

Committee Members,

VY Properties, LLC is proposing to build a modern format 3500 capacity concert venue in downtown Wausau near Athletic Park, named “The River". The proposed 58,000 square foot facility includes up to 10,000 square feet of commercial retail and rental space, a 7,000 square foot lobby reception area and a multi level concert hall in a mostly standing room format with the exception of limited premium seating in the VIP balcony.

We view this project as a key component in the region’s long term strategic plan to attract and retain the next generation of residents and workforce. A venue of this size and type fills a massive gap in the touring market which until now, has been drawing millions of dollars out of the Central Wisconsin area to be spent on entertainment in larger markets. We would like to see that money, and those fans, stay right here.

We love Wausau, and the arts culture here is excellent, however it is absolutely critical that the region maintains relevance in the live entertainment segment by continuing to meet growing industry and consumer demand. At this very moment, larger markets are investing heavily into venues like ‘The River’ which motivates residents, potential tourists, and the next generation to spend their time and money in places with more options than Wausau has to offer.

The facility aims to be a ‘value add’ to the community, by bringing millions in spending to area restaurants, hotels and retail, and by providing ample space for community activities such as Wausau Events’ “Concerts on the Square” to find refuge on rainy summer days.

We hold a strong commitment to community support through charitable giving to area causes at 5 percent of profits annually, and we hope to assist in parking solutions to the north river area development.

In addition to live entertainment, the state of the art venue will allow Wausau to host large format corporate conferences, and will be home to additional retail and dining experiences on the riverfront.

Ultimately, we want to see our local economy thrive, we want tourism to grow, and we want to see the strategic goals of the community met. This project is essential for the long term economic health of the region.

THE RIVER

DEVELOPMENT PROPOSAL SUMMARY

Preferred development site:

North Riverfront, downtown Wausau. Location is flexible to agreement for best fit within long term strategic goals of the council and other stakeholders.

Parking:

For discussion; We envision a partnership solution with surface parking for multi use, offering solutions to The River, The Wisconsin Woodchucks, and general public use.

Below assumptions based on 6 events per month average annually

Anticipated Annual Attendance:	**250,000**	
Anticipated Total Project Cost:	**18.3 Million**	
Anticipated Build Cost:	**15 Million**	
Anticipate Assessed Value:	**13.1 Million**	
Anticipated Annual Total Economic Impact:	**Total Spending:**	**53 Million**
	Property Tax:	**312,000**
	Room Tax:	**176,400**
Anticipated Partnership Contribution (City):	**Twenty percent of assessed value, as follows: -negotiated percentage in advance -remaining contribution via reverse TIF credit -Agreeable parking solution -Sale price of land to VY Properties @ 50,000.00**	

Contact Information:

Joe Ellis
715.370.3400
joe@theriverconcerts.com

Anna Herman
612.741.1544
anna@theriverconcerts.com

The River - Total Stack 6-2-23			
Sources			
Nicolet Bank	$9,127,000.00	50.00%	
SBA	$4,127,000.00	22.61%	
Investors/Sponsorships/Personal	$5,000,000.00	27.39%	
Total Sources	$18,254,000.00		
Uses			
Anticipated Build Costs	$15,000,000.00		
Contingency Build Costs/Start Up Costs	$1,500,000.00		
Professional Services	$250,000.00		
Developer Fee	$900,000.00		
Interest During Construction	$500,000.00		
Purchase of Land	$50,000.00		
Financing Costs	$54,000.00		
Total Uses	$18,254,000.00		
Value of Property			
80% of Cost of Build	$12,000,000.00	(80% of Build Costs per Rick Rubow)	
82,000 sqft of Land - Once Developed	$1,064,700.00	($13/sqft per Rick Rubow)	
	$13,064,700.00		

THE RIVER

Memo

TO: Finance Committee Members

FROM: Tammy Stratz, Community Development Man

DATE: April 28, 2023

RE: Federal Loft Building

As many of you know, Metro Plains entered into a 50-year ground lease for the old Federal Building located at 317 N. 1st Street in 2011. Due to the historic significance of the parcel, the City was not allowed to sell the property.

Metro Plains was able to obtain WHEDA Low Income Housing Tax Credits (LIHTC) to rehabilitate the building and create affordable housing units. The City also assisted with $75,000 TID #3 loan to help with the renovations. The term of that loan was at 0% with payments deferred until loan is due in full in February 2041. Metro Plains has been paying a lease on the land since they took over ownership of the building. That lease payment equates to $17,000 for this year.

Metro Plains has approached staff regarding some necessary exterior brick work that has been revealed – which happened sooner than anticipated. Their reserve fund didn't have enough time to save enough money to fund these costs at this time. (See below Sources and Uses chart.) They have tried to obtain a loan through conventional means; however, since they do not own the land, they cannot obtain a mortgage.

Below is a breakdown of the request we have received by Metro Plains:

	SOURCES			
USES	Owner	Bank	City	Total
Acquisition	$-0-	$-0-	$ -0-	Currently owns
Rehab	$69,973	$-0-	$120,566	$190,539
TOTAL	$ 69,973	$-0-	$120,566	$190,539

There are two different ways the city can assist with this ask. First, the Community Development Department has the Wausau Rental Rehabilitation Program (WRRP) funds of which can assist with this amount of funding. As mentioned above, the parcel is located within TID #3 of which funds could be utilized towards the loan. There are adequate funds in this TID to assist with this ask.

Staff proposes that we structure the loan with a 2% interest rate (matches that of all other Community Development loans) with a repayment term of either 10 or 15 years. Metro Plains has asked for lease forgiveness during the loan repayment as there would not be enough cash flow to pay for both payments. We did discuss the ability of making the loan payments and then what is needed to equal the annual lease amount, they would make up the difference. For example:

OPTION 1: $121,000 loan amount at 2% interest with a 96-month (8-year) term to coincide with the life of the tid district. Payments are $1,378.24 x 12 = $16,538.88/year. The lease payment of $17,000/year - $16,538.88 = $461.12 to be paid towards the lease.

OPTION 2: $121,000 at 2% with a 180-month (15-year) term. Payments are $778.65/month x 12 = $9,343.80. $17,000 - $9,343.80 = $7656.20 calculates out to a $7,565.20 payment towards the lease.

PROS/CONS:

- Using WRRP funds, we do not need to tap into TIF funds; however, there are enough funds in that TID which would not cause a burden to that TID.
- Using TIF funds, we would keep the WRRP funds for projects that may arise that do not have the ability to be funded through TIFs.
- Amortizing the loan over 10 years will allow the loan to be paid off sooner; however, the lease payments will be less over those 10 years.
- Amortizing the loan over 15 years will take the loan longer to be paid off; however, more funding will be going toward the annual lease.

Staff does believe we should assist Metro Plains with the loan. The historical building will revert back to the city when the lease expires in 20 years. Metro Plains have been a superb partner in providing affordable housing choices within the City of Wausau - partnering with Wausau in three different successful LIHTC projects.

If you have any questions, feel free to call me at 715-261-6682 or e-mail me at tammy.stratz@ci.wausau.wi.us.

Thank you.

Office of the City Attorney

Anne L. Jacobson
City Attorney

December 15, 2011

Toni Rayala, Clerk
City of Wausau
407 Grant Street
Wausau, WI 54403

DEVELOPMENT AGREEMENT AND MASTER GROUND LEASE
FEDERAL BUILDING
COUNCIL FILE NO. 98-0412

Enclosed please find original, executed Development Agreement and Master Ground Lease for the Federal Building. Please file the same.

Lisa

LISA PARSCH
ADMINISTRATIVE ASSISTANT

Enclosure

cc w/Enc. Maryanne Groat, Finance Director
Heather Wessling, Community Development

98-0412

STATE OF WISCONSIN - MARATHON COUNTY
RECORDED
12/02/2011 3:00:40 PM
MICHAEL J. SYDOW, REGISTER OF DEEDS

Document No.	DEVELOPMENT AGREEMENT Document Title

THIS AGREEMENT made this 31 day of January ,2011, by and between the City of Wausau, Municipal Corporation of the State of Wisconsin, hereinafter referred to as "CITY," and Federal Building Redevelopment Limited Partnership.

1609367 1 5

DOC# 1609367

Michael J. Sydow

Recording Area

Name and Return Address

Office of City Attorney
407 Grant Street
Wausau, WI 54403

($31 charge to City of Wausau)

30-

PIN: 291-2907-253-0490

WITNESSETH:

WHEREAS, CITY desires to redevelop and preserve the Federal Building located on 317 North First Street, legally described in the attachment hereto (hereafter referred to as either "Property" or "Federal Building"); and

WHEREAS, the CITY issued a request for proposals (RFP) on August 10, 2010 relating to redevelopment of the Property in a manner consistent with the criteria set out in the RFP;

WHEREAS, MetroPlains has been selected as the developer, and will be operating as Federal Building Redevelopment Limited Partnership, with the most comprehensive plan, that was most consistent with the expectations of the RFP;

WHEREAS, Federal Building Redevelopment Limited Partnership is willing to undertake the development with due diligence, planning and related pre-development activities related to redevelopment of the Property and has a significant history working on redevelopment projects;

WHEREAS Federal Building Redevelopment Limited Partnership has agreed to convert the Property and construct therein 20 loft-style apartments with gallery space ("Project");

WHEREAS CITY agrees to lease the Property to Federal Building Redevelopment Limited Partnership as long-term, as the deed restricts the CITY from selling the Property to any third party;

WHEREAS, the Property has been identified as blighted and in need of redevelopment in the *Amendment To The Project Plan for Tax Increment District Number Three (TIF #3)* which was adopted by the Wausau Common Council in August, 2000; and

WHEREAS, the Project will contribute significantly to several elements of the City of Wausau *Community Development Block Grant (CDBG) 5 year Consolidated Plan* by providing quality, affordable housing opportunities for low/moderate income persons, reducing neighborhood blight, stimulating additional private sector investment in the Central Business District and meeting an identified strategic plan high priority housing need within the City; and

WHEREAS, in order to complete the Project, Federal Building Redevelopment Limited Partnership has a need for financial assistance from CITY in an amount not to exceed $75,000.00 ("Loan"); and

WHEREAS, CITY is willing to provide said funding in connection with the Project, pursuant to the terms of this Agreement:

NOW, THEREFORE, it is agreed as follows:

1. DECLARATION OF AREA IN NEED OF REDEVELOPMENT.

   The Wausau Common Council by resolution dated January 25, 2011 has determined that the Property is in need of redevelopment, preservation and restoration.

DOC# 1609367

2. 20-UNIT AFFORDABLE HOUSING DEVELOPMENT.

Federal Building Redevelopment Limited Partnership agrees to redevelop and convert the Property into 20 apartment units in conformance with a general development plan, subject to CITY approval, Department of Interior approval and zoning approval as residential in a Conditional Use in the Central Business District ("Development Plan").

3. FINANCING ASSISTANCE.

Subject to the provisions of this Agreement, CITY shall loan Federal Building Limited Partnership, for a 30-year period, zero percent (0%) interest, $75,000.00 from TIF # 3 for blight elimination, environmental testing and cleanup, site preparation, infrastructure, and utilities/services. Such funding shall be provided as set forth in the Development Plan, and the terms of such funding shall be evidenced by appropriate loan documents acceptable to CITY.

4. TIME LINE FOR DEVELOPMENT.

Redevelopment of the Property is contingent upon issuance of WHEDA tax credits for the Project, which is expected June 1st 2011. In the event Metro Plains receives said tax credits, the Project would commence July 1, 2011 and be completed by June 1, 2012. Should WHEDA choose not to award the tax credits in the 2011 cycle, Metro Plains may re-apply for credits to be awarded June 1, 2012. In the event Federal Building Redevelopment Limited Partnership receives said tax credits, then the developer shall commence the Project by July 1, 2012 and complete it by June 1, 2013 consistent with the Development Plan. Notwithstanding the foregoing, if Federal Building Redevelopment Limited Partnership does not receive the applicable tax credits by June 1, 2011, the CITY reserves the right to accept other development proposals or to submit another Request for Proposals (RFP), whereupon this Agreement shall terminate.

5. PARKING COMMITMENT.

The CITY shall designate 5 spaces abutting the Federal Building as guest parking and an additional 2 spaces for handicapped guest parking.

Additionally, the CITY shall make available for lease parking spaces within five hundred (500) feet of the Property (e.g., the Center Mall Ramp and/or Jefferson Street ramp) at the rate of $23.80/per month/per space including sales tax. The number of parking spaces reserved hereunder for tenants of the Property shall be thirty (30). For any parking spaces leased by Federal Building Redevelopment Limited Partnership or tenants of Federal Building Redevelopment Limited Partnership after the first ten (10) years of the Lease term, the rent for each parking space shall be adjusted to fair market rent. Fair market rent shall mean that net monthly basic rent per parking space that a willing user would pay and the CITY would accept in an arms–length, bona fide transaction for space.

6. LEASE AGREEMENT/DEVELOPMENT PLAN.

This Agreement is contingent upon Federal Building Redevelopment Limited Partnership entering into a Ground Lease Agreement acceptable to the CITY and providing the Development Plan acceptable to the CITY and Parking Space Agreement acceptable to CITY. The Ground Lease shall have a term of fifty (50) years and require annual payments of $14,000.00 for the first lease year adjusted two percent (2%) in each lease year thereafter. This Agreement is further contingent on the parties receiving all applicable governmental or regulatory approvals for the Project.

7. NATIONAL REGISTER'S DEFINITION OF HISTORICAL ELEMENTS TO BE PRESERVED.

The CITY upon agreement with the NATIONAL PARK SERVICE shall continue to own and maintain the furniture and may, at its option, store the furniture in the re-constructed Federal Building or at another location for preservation purposes.

DOC # 1609367

8. ENVIRONMENTAL.

CITY shall provide an environmental assessment, at the cost of the CITY, in order to evaluate requirements to remove asbestos and conduct lead abatement activities during reconstruction. Federal Building Redevelopment Limited Partnership shall be responsible for the bidding and costs associated with clean-up but may apply for grants and funding, with the assistance of the CITY, if necessary to complete environmental clean-up.

Federal Building Redevelopment Limited Partnership agrees to provide to CITY with street right-of-way and access easements or restrictions as may be deemed necessary in the CITY's judgment for the Project. Such matters shall be included in the Development Plan.

9. INDEMNIFICATION.

Federal Building Redevelopment Limited Partnership agrees to indemnify and hold CITY, its employees, agents, officers and officials, whether hired, appointed or elected, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, deaths, actions and/or causes of action to which they may be exposed (collectively "Claims") by reason of death of or injury to any person, or by reason of damage to real or personal property, or by reason of any other liability imposed by law, including such Claims arising from Federal Building Redevelopment Limited Partnership's activities under the Agreement or in connection with the Project. Federal Building Redevelopment Limited Partnership shall provide insurance coverage and bonding acceptable to CITY in connection with the foregoing indemnity.

10. COMPLIANCE.

Federal Building Redevelopment Limited Partnership agrees that it is in compliance with and shall continue to comply with all federal and state laws and regulations necessary for receipt of the Loan and for construction of the Project, including without limitation:

Historic and preservation laws, requirements and regulations pertaining to the Property and the Project;

Title VI of the Civil Rights Act of 1964 which provides that no persons in the United States shall on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance;

Section 109 of the Housing and Community Development Act of 1974, as amended which requires that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to the Act;

Section 3 of the Housing and Urban Development Act of 1968, which provides to the extent feasible, opportunities for training and employment shall be given to lower income residents of the project area; and

Fair Labor Standards Provisions which govern responsibilities for workers employed in connection with federally-assisted construction (and in some instances equipment related) projects, including the Davis-Bacon Act.

11. APPLICABLE LAW: INTERPRETATION.

This Agreement shall be interpreted and applied in accordance with and governed by the laws of Wisconsin.

12. BINDING EFFECT.

This Agreement shall inure to the benefit of and shall be binding upon CITY and Federal Building Redevelopment Limited Partnership and their respective successors and assigns. This Agreement, however, may not be assigned by Federal Building Redevelopment Limited Partnership without the prior written consent of the CITY.

DOC # 1609367

The parties, however, recognize that Federal Building Redevelopment Limited Partnership may assign its rights hereunder to an entity established by it for the purpose of carrying out its responsibilities hereunder.

13. AMENDMENT, CHANGES, AND MODIFICATIONS.

This Agreement may be amended or any of its terms modified only by written document duly authorized, executed and delivered by CITY and Metro Plains.

14. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS.

CITY and Metro Plains agree that they will, from time to time, execute, acknowledge, deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

15. EXECUTION AND COUNTERPARTS.

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

16. TERMINATION.

Unless otherwise provided herein, Federal Building Redevelopment Limited Partnership shall satisfy the contingencies set forth herein, including specifically the execution of a Ground Lease acceptable to the CITY and finalization of approval by the CITY of the Development Plan for the Project by no later than June 1, 2011. In the event Federal Building Redevelopment Limited Partnership fails to timely satisfy said contingencies by said date, the CITY on written notice may terminate this Agreement. In the event of termination, Federal Building Redevelopment Limited Partnership shall reimburse the CITY for the costs of its obligations under this Agreement.

17. NO PRIVATE RIGHT OR CAUSE OF ACTION.

Nothing contained herein shall be interpreted or construed to create any private right or any private cause of action by or on behalf of any person not a party hereto, except as may be provided in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

CITY OF WAUSAU:

By: James E. Tipple
James E. Tipple, Mayor

By: Toni Rayala
Toni Rayala, Clerk

FEDERAL BUILDING REDEVELOPMENT LIMITED PARTNERSHIP:

By: Rob McCready
Rob McCready, Co-President

EXHIBIT "A"
Legal Description

Parcel Identification No.: 291-2907-253-0490 # 7660

Part of Block 8, Plat of the Village of Wausau (Original Plat of the City of Wausau), Sections 25 and 36, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the intersection of the south line of said Block 8 and a line 29 feet easterly of and parallel with the easterly line of Lot 1, said Block 8, the point of beginning.

Thence westerly along said south line of Block 8 to the easterly right-of-way of North First Street; thence northerly along said easterly right-of-way to the southerly right-of-way of Jefferson Street; thence easterly along said southerly right-of-way to a line 29 feet easterly of and parallel with the east lines of Lots 1, 4, 7 and 8, said Block 8; thence southerly along said parallel line to said south line of Block 8, the point of beginning.

R 1609367 5 3

DOC# 1609367

STATE OF WISCONSIN - MARATHON COUNTY
RECORDED
12/02/2011 3:00:40 PM
MICHAEL J. SYDOW, REGISTER OF DEEDS

MASTER GROUND LEASE

DOC# 1609366

R 1609366 1 28

Michael J. Sydow

Recording Area

Name and Return Address

Office of the City Attorney
City Hall – 407 Grant Street
Wausau, WI 54403

($30 Charge to City of Wausau)

PIN: 37.291.4.2907.253.0490 #7660

98-0410

DOC# 1609366

MASTER GROUND LEASE

THIS MASTER LEASE (this "Lease") is made as of the 1st day of February, 2011, by and between City of Wausau, Wisconsin, a Municipal Corporation of the State of Wisconsin ("Landlord") and Federal Building Redevelopment Limited Partnership, a Wisconsin limited partnership, or its designee, qualified to do business in Wisconsin ("Tenant").

RECITALS

A. Landlord owns a fee simple interest in the Premises (hereinafter defined).

B. The parties desire to enter into this Lease with respect to the Premises which defines their respective rights, duties, and liabilities relating to the Premises.

NOW, THEREFORE, WITNESSETH in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

SECTION 1
DEFINITIONS

For purposes of this Lease, Landlord and Tenant hereby agree that the following terms shall have the indicated meanings:

Additional Rent: All obligations, sums of money or charges required to be paid by Tenant under this Lease other than Annual Rent, whether or not such other obligations, sums or charges are designated "Additional Rent."

Annual Rent: Fourteen Thousand Dollars ($14,000.00) during the first year of this Lease. Annual Rent shall increase each Lease year thereafter on the anniversary date of the Commencement Date by two percent (2%) of the prior year's Annual Rent. For example, Annual Rent in year two of the Lease would be $14,280.00; Annual Rent in year three of the Lease would be $14,565.50, etc.

Building: The Wausau Federal Building located at 317 North First Street, Wausau, Wisconsin.

Code: The United States Internal Revenue Code.

Commencement Date: July 1, 2011.

Development Agreement: That Agreement dated 1/3/2011 made by MetroPlains Partners, LLC, (Federal Building Redevelopment Limited Partnership) approved by resolution of the City of Wausau Common Council dated 1/25/2011.

Event of Default: An event set forth in Section 13.

Governmental Authorities: All federal, state, county and local governmental or legislative bodies or units, the Secretary of the Interior, the Wisconsin State Historic Preservation Office, and all other public officials, agencies, municipalities, and counties having jurisdiction with respect to the Premises.

Hazardous Material: Any hazardous or toxic substance, material, or waste under applicable law or regulation, now or hereafter existing, including, but not limited to, those substances, materials, and wastes now or hereafter listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes that are or become regulated under any applicable federal, state, or local law, ordinance, or regulation including, but not limited to the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund"), the Clean Air Act, and the Clean Water Act.

Historic Requirements: All laws, regulations and requirements, now existing or hereafter established or created by any of the Governmental Authorities relating to historic aspects of the Premises or the preservation thereof, including requirements pursuant to Section 47 of the Code and requirements of the U.S. Department of Interior and the State Historic Preservation Office.

Impositions: A charges and obligations relating to or arising from the Premises, including, without limitation, all taxes, license, and permit fees, charges for public utilities of any kind, including utilities supplied by Governmental Authorities and utilities supplied by private companies, and obligations for any and all other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, further including, but not limited to, assessments for sidewalks, streets, sewers, water, or any public improvements, and any other improvements or benefits which shall, during the Term hereof be made, assessed, levied, or imposed upon, or become due and payable in connection with or a lien upon, the Premises, or any part thereof, or Improvements thereon, or upon this Lease. The Impositions shall not include any tax incurred by Lessor as a result of receipt of Annual Rent.

Improvements: All permanent improvements, including the Building, apartment dwelling units, and commercial space, if any, now or hereafter located on the Premises.

Landlord's Address: 407 Grant Street, Wausau, Wisconsin 54403, or as hereafter designated in writing by Landlord.

Landlord's Interest: Landlord's fee simple right, title and interest in the Premises.

Lease: This Master Ground Lease, as amended pursuant to the terms hereof.

Legal Requirements: All laws, statutes, ordinances, orders, rules, regulations and requirements of all federal, state and local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities and the appropriate offices, departments, and boards thereof applicable to the Premises.

LIHTC Requirements: All restrictions and requirements relating to occupancy, rents and operation of the Premises, including those set forth in Section 42 of the Code, and the applicable requirements of the state housing credit agency, requiring that all residential units (other than the manager's unit) be rented to qualified tenants, whose income is at or below 60% of the imputed area median gross income, at rents, as adjusted for utility costs, not to exceed 30% of such imputed median gross income or such lesser amount as may be approved by the State Housing Credit Agency (the "HCA").

Loan Documents: All documents evidencing or securing any Mortgages encumbering Tenant's leasehold interest in the Premises.

Mortgages: The mortgages or deeds of trust encumbering Tenant's leasehold interest in the Premises.

Mortgagees: The holders of the Mortgages.

Notice of Default: A notice served by Landlord upon Tenant, Tenant's Designated Member and any Mortgagee upon the occurrence of a default by Tenant under Section 13.

Notices: All notices, requests, demands, or other communications which may be or are required or permitted to be served or given under this Lease.

Plans and Specifications: The final plans and specifications for rehabilitation of the Improvements approved by Landlord, which shall be consistent with the Development Plan referenced in the Development Agreement.

Premises: The property legally described in Exhibit A hereto, including the Improvements thereon.

Rent: All Annual Rent, Additional Rent and all other charges and costs hereunder payable by Tenant to Landlord under this Lease.

Sublease: The residential sublease agreements for the Premises from time to time entered into by Tenant with its Subtenants, the form and substance of which shall be subject to reasonable approval of Landlord.

Sublessee or Subtenant. A tenant under any Sublease.

Taking: The acquisition by authority of any Governmental Authority in the legal and valid exercise of its power of eminent domain or by private purchase in lieu thereof by such Governmental Authority.

Tenant's Address: 1600 University Avenue, Suite 212, St. Paul, MN 55104-3825, or as hereafter designated in writing by Tenant.

Tenant's Designated Member: The equity investor in Tenant (or a representative thereof) designated by Tenant's Investor Members to receive Notices.

Tenant's Investor Members: The equity investors in Tenant.

Tenant Limited Partnership Agreement: The Amended and Restated Limited Partnership Agreement or Limited Partnership Agreement of Tenant dated on or before the Commencement Date.

Term: The period commencing on the Commencement Date, which is defined previously as July 1, 2011, and ending on the fiftieth anniversary of the Commencement Date, unless earlier terminated in the Event of Default.

When used herein, the singular shall apply to the plural, the plural to the singular, and the use of any gender shall apply to all genders.

SECTION 2
DEMISE OF PREMISES

Landlord leases to Tenant and Tenant leases from Landlord pursuant to the terms, covenants and conditions set forth herein, the Premises together with the Improvements now existing or hereafter located thereon, for the Term. Tenant hereby accepts the Premises, including the Improvements and the Building, in "AS IS" condition.

SECTION 3
RENT

(a) Beginning on the Commencement Date and on the anniversary date thereof for each year during the Term, Tenant, without deduction, set-off, recoupment, counterclaim, or demand, shall pay the Annual Rent for the applicable year to Landlord at Landlord's Address.

(b) Tenant, as Additional Rent, covenants and agrees, commencing on the Commencement Date and at all times thereafter during the Term, to pay, as the same become due and payable and before any fine, penalty, interest, or other charge which may be added thereto for the non-payment thereof, all Impositions excluding therefrom so such thereof as is properly allocable to periods before or after the Term. The parties agree to send promptly to the other party copies of any notices in respect of the Impositions.

(c) Tenant shall have the right, if Tenant disputes the amount or validity of any Impositions upon the Premises or Improvements thereon (whether in respect of the amount of tax assessment or otherwise) to contest and defend against the same, and in good faith diligently to conduct any necessary proceedings to prevent and avoid the same; provided, however, that such contest shall be prosecuted to a final conclusion as speedily as is reasonably possible. Any rebate made on account of any Impositions paid by Tenant shall belong and be paid to Tenant. Landlord agrees to render Tenant reasonable assistance in contesting the validity or amount of any Impositions, including joining in the execution of any reasonable documents, or the signing of any reasonable protests or pleadings, which Tenant may file, provided Tenant shall reimburse Landlord for the reasonable time of its staff, together with costs reasonably incurred by Landlord in connection therewith. In no event at any time shall Tenant allow any lien, charge, encumbrance or other blemish against Landlord's Interest in the Premises, except as expressly agreed to in writing by Landlord, and during any proceeding or contest relating to the Impositions, Tenant shall (by payment of such disputed Impositions, if necessary) prevent any foreclosure of, or any divesting thereby, of Landlord's Interest in the Premises, and shall further (by the payment of such disputed Impositions, if necessary) prevent the public sale or enforcement of any lien for such Impositions.

(d) If any rights or obligations of Tenant hereunder (whether relating to payment of Annual Rent, Additional Rent, payment of Impositions, or any other obligation of Tenant under this Lease) relate to a period in part before the Commencement Date, or in part after the date of termination of the Term, appropriate adjustments and prorations shall be made, except that in the case of early termination by reason of an Event of Default, nothing herein shall prohibit or be deemed to bar recovery by Landlord for such Rent, charges and obligations arising after said early termination.

SECTION 4
TERM

The Term of this Lease shall commence on the Commencement Date.

SECTION 5
TENANT'S OPERATING COSTS

In addition to the Annual Rent and Additional Rent, Tenant shall pay all costs arising or pertaining to operation and use of the Premises during the Term.

SECTION 6
USE OF PREMISES

(a) Tenant shall convert the Premises in compliance with the Plans and Specifications and use the Premises solely as a twenty (20) unit residential apartment complex. Landlord agrees to provide seven (7) parking spaces as designated parking for the Building site in the adjacent public parking area located south and east of the Premises ("Adjacent Public Parking Lot"). Five (5) of the spaces shall be designated for resident or guest use and two (2) spaces shall be designated for handicapped use. Landlord shall be responsible for snow removal for the Tenant's parking spaces located in the Adjacent Public Parking Lot. Tenant shall not have the right to use any of the remaining parking spaces located in the Adjacent Public Parking Lot and shall include in its Subleases provisions prohibiting Subtenant's usage of such remaining spaces. Further, in this regard, Landlord and Tenant have provided for additional Subtenant parking pursuant to that certain Parking Space Agreement bearing even date herewith, the terms of which are incorporated herein and included as a part hereof.

(b) From and after the Commencement Date, Tenant shall not commit or allow waste on the Premises and not use or allow use of the Premises for any unlawful purpose, or in violation of any certificate of occupancy, or for any purpose that may constitute a nuisance, public or private, nor suffer any dangerous article to be brought on the Premises unless safeguarded as required by law. From and after the Commencement Date, Tenant agrees to promptly comply with all applicable statutes, regulations, rules, ordinances, orders, and requirements of all Governmental Authorities, including those relating to Hazardous Material, Historic Requirements, Impositions, Legal Requirements, LIHTC Requirements, and the Americans with Disabilities Act of 1990. Tenant shall be responsible for the design, construction and rehabilitation of the Premises in compliance with requirements of present and future Legal Requirements, including those established by the Governmental Authorities. The parties agree to give notice promptly to each other of any notice from any Governmental Authorities relating to the Premises, including any notice pertaining to air and water quality, Hazardous Materials, waste disposal, air emissions, other environmental matters, or otherwise restricts the use or occupancy of the Premises for the purposes described in Section 6(a). Tenant may, in good faith, dispute the validity of any complaint or action taken pursuant to or under color of any of the foregoing, defend against the same, and, in good faith, diligently conduct any necessary proceedings to prevent and avoid any adverse consequence relating to same. Tenant agrees that any such contest shall be prosecuted to a final conclusion as speedily as possible, and Tenant will save Landlord harmless with respect to such Legal Requirements and actions required by any Governmental Authorities.

(c) From and after the Commencement Date, Tenant shall work diligently and exercise its best efforts to complete the construction and rehabilitation of the Premises pursuant to the Plans and Specifications within 12 months after the Commencement Date.

(d) Tenant shall engage in leasing activities relating to the Premises at all times in compliance with Legal Requirements, including the LIHTC Requirements. Further, Tenant shall at all times maintain and operate the Premises in full accordance with Legal Requirements, including Historic Requirements and in compliance with regulations issued by the Department of Housing and Urban Development, including laws and regulations relating to nondiscrimination (the "Housing Requirements").

(e) Tenant shall engage a property manager reasonably knowledgeable and experienced in matters relating to Legal Requirements, including LIHTC Requirements, Housing Requirements and Historic Requirements.

SECTION 7
MAINTENANCE AND REPAIR

From and after the Commencement Date, Tenant, at Tenant's sole cost and expense, shall keep the Premises and the Improvements structurally sound and in good order and condition, reasonable wear and tear excepted. All such repairs shall be equal in quality to the original work. Landlord shall have no responsibility whatsoever relating to maintaining the structural integrity of the Premises, including the Improvements, or the maintenance or repair thereof.

SECTION 8
RIGHT TO ENTER

Landlord, at all times during the Term, shall have reasonable access to the Premises, Except in the case of emergency, access to the Premises shall be at reasonable times and upon reasonable advance notice. Landlord further shall have the right to store existing furniture in the Premises in the storage area described in Exhibit B hereto.

SECTION 9
CONSTRUCTION AND ALTERATION OF IMPROVEMENTS

(a) Except as provided for in the Plans and Specifications, neither Tenant nor any Sublessee shall have the right to make material changes, additions, or alterations, structural or otherwise, to the Improvements without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. Any such changes, additions and/or alterations shall be in compliance with Legal Requirements, including Historic Requirements and LIHTC Requirements, and the requirements of applicable Governmental Authorities, in addition to such other requirements Landlord reasonably imposes in connection therewith. Any such work consented to by Landlord shall be performed in a good and workmanlike manner, in accordance with all applicable laws, statutes, ordinances, and codes, and without deviation or change in the plans in any material respect as approved by Landlord.

(b) Neither Tenant nor any Sublessee shall have authority, express or implied, to create or place or permit to be created or placed any lien or encumbrance, of any kind or nature whatsoever upon, or in any manner to encumber or bind Landlord's Interest in the Premises. Tenant covenants and agrees to pay promptly all sums legally due and payable by Tenant or any Sublessee on account of any labor performed, or on account of any material supplied, on or to the Premises as to which any lien is or legally can be asserted against either Landlord's Interest in the Premises or Tenant's leasehold interest hereunder.

(c) Tenant shall not permit any Subtenant to alter the Premises in any manner, without the prior written approval of Landlord.

SECTION 10
INSURANCE

(a) Tenant, at its sole cost and expense, but for the mutual benefit of Tenant, its Mortgagees, and Landlord, as named additional insureds, as their interests may appear, shall maintain: (1) for the Premises "all risk" property insurance, issued by insurers authorized to do business and in good standing in the State of Wisconsin and rated A or better by A.M. Best & Company, in an amount equal to the full replacement cost of the Improvements or such lesser amounts as Landlord and Tenant shall mutually agree to be reasonably necessary for the protection of their respective interests in the Premises under this Lease; and (2) public liability insurance with coverage in amounts not less than $1,000,000.00 annual aggregate coverage and $1,000,000.00 per occurrence. Tenant may satisfy the insurance requirements imposed upon Tenant under this Lease through a blanket policy of insurance.

(b) Except to the extent claims result from any negligent or intentional act of Landlord or its agents or employees, Tenant agrees to defend, indemnify and hold Landlord harmless against any and all third party claims against Landlord relating to the Premises, including claims for (1) personal injury or death and property damage arising from the Premises, intentional or negligent acts of Tenant, its agents, contractors, employees, servants, Sublessees or invitees, or the occupancy or use by Tenant or its Sublessees of the Premises, or by Tenant's agents, contractors, employees, servants, Sublessees or invitees; (2) the lien of any contractor for labor or materials supplied in connection with the construction, repair or replacement of any Improvements; and (3) any lien, penalty, cost, expense or liability arising in connection therewith; and (4) together with attorney's fees and costs reasonably incurred by Landlord in defending any such claim or liability. Tenant's liability insurance policy shall include contractual liability coverage insuring Tenant's obligations under this Section. Tenant's obligations under this Section shall survive expiration or termination of this Lease.

(c) Subject to applicable Legal Requirements, including Historic Requirements, in the event that the Premises or any portion thereof is destroyed or not otherwise available for occupancy for more than thirty (30) days as a result of the occurrence of fire or other casualty event:

(i) If insurance proceeds received as a result of such casualty event are in the judgment of both Landlord and Tenant sufficient to rebuild an economically feasible project, then Tenant shall cause such proceeds to be used for reconstructing the Premises or part thereof, beginning no later than sixty (60) days following the payment of such insurance proceeds; and

(ii) If insurance proceeds received as a result of such casualty event are in the judgment of both Landlord and Tenant <u>not</u> sufficient to rebuild an economically feasible project or part thereof, or the casualty occurs during the last two (2) years of the Term, then Tenant shall demolish and raze completely the damaged Improvements, including removing all basements and foundations, filling excavations, clearing the Premises, returning the surface to grade, and leaving the Premises safe and free of hazards and debris, and any insurance proceeds then remaining (other than proceeds payable for items other than the Improvements) shall be allocated and paid to Landlord and/or Tenant pursuant to Section 11(d) and this Lease shall terminate effective as of the date of such payment.

(d) Tenant shall deliver certificates of insurance policies required hereunder to Landlord prior to the Commencement Date and within thirty (30) days after Tenant's receipt of updated, renewed or new policies issued to Tenant during the balance of the Term. Each such certificate shall contain a clause or endorsement stating that the insurance may not be terminated except after thirty (30) days written notice to Landlord.

SECTION 11
CONDEMNATION

The following provisions shall apply if all or part of the Premises is permanently acquired by the power of eminent domain or any similar governmental power or any other acquisition in lieu of condemnation:

(a) If there is a Taking of the entire Premises, this Lease shall terminate as of the date title vests in the condemning authority.

(b) If a material part of the Premises is taken, either party, on thirty (30) days notice to the other party, may terminate this Lease as of the date title vests in the condemning authority or the date the Premises become unusable for the purpose described in Section 6(a), whichever occurs first. To exercise notice hereunder, the notifying party must give the other party written notice of termination within thirty (30) days after the nature and extent of the Taking have been finally determined.

(c) If an immaterial part of the Premises is taken, the Lease shall continue, and condemnation proceeds, at the option of Landlord, shall be retained by it or be used by Tenant to restore the Premises as near as reasonably possible to the condition that existed before the Taking.

(d) Except as provided in Section 11(c), the proceeds of any Taking affecting the Premises shall be determined and allocated as set forth below. Landlord and Tenant shall mutually appoint an appraiser whose responsibility shall be, using the amount of the condemnation award as fair market value, to determine the fair market value of the Premises valued at the date of condemnation in two components: (i) the fair market value of the Premises without Tenant's improvements made under the Plans and Specification and (ii) the value of Tenant's improvements made under the Plans and Specifications. Landlord shall receive from the condemnation award an amount equal to the fair market value of the Premises valued as of the date of condemnation, excluding therefrom the value of Tenant's improvements made under the Plans and Specifications, and Tenant and its Mortgagees, as their interests may appear, shall receive from the condemnation award the value of Tenant's aforesaid improvements.

Tenant shall be entitled to any separate payments available for relocation or business replacement, to the extent they do not reduce payments available under (a)-(c) above.

SECTION 12
ASSIGNMENT AND SUBLETTING

(a) Tenant may assign Tenant's interest in this Lease only with Landlord's prior written consent, which shall not be unreasonably withheld. No such assignment or subletting, however, shall relieve the Tenant from Tenant's obligations hereunder unless Landlord specifically agrees to release Tenant in writing .

(b) Tenant shall not enter into any Sublease of any portion of the Premises, the occupancy of which either singularly or in the aggregate with other Subtenants of the Premises, cause the Premises to be deemed "tax exempt use property" under applicable law or Section 47(c)(2)(B)(v) of the Internal Revenue Code of the United States of America. Further, the terms and provisions of Subleases shall at all times after the Commencement Date require Subtenants to be in compliance with Tenant's obligations hereunder, as well as the Legal Requirements, including the requirements of Governmental Authorities, Hazardous Material, Historic Requirements and LIHTC Requirements.

SECTION 13
EVENTS OF DEFAULT

(a) Any one or more of the following events shall constitute an "Event of Default" by Tenant hereunder:

(i) If default is monetary in nature, including failure to timely pay any Rent, the failure to cure same within thirty (30) days from the date of Notice of Default; or

(ii) If default shall be made by Tenant in the material performance of, or in compliance with, any other terms, covenants, or conditions contained in this Lease, and the same is not cured within ninety (90) days from the date of Notice of Default from Landlord to Tenant; or

(iii) Default by Tenant under any of the Loan Documents or Mortgages pertaining to the Premises and entered into by Tenant, which default continues beyond the applicable period provided for the cure thereof.

(iv) Tenant's abandonment of the Premises for a period of 180 days after written notice thereof from Landlord to Tenant specifying the basis for Landlord's claim that an abandonment has taken place; however, surrender of all or any part of the leasehold interest of Tenant to mortgagee or to a permitted assignee or subtenant or such other party or parties succeeding to Tenant's interest hereunder, shall not constitute an abandonment.

(v) The appointment of a receiver to take possession of the Premises or of Tenant's leasehold estate or of Tenant's operations with respect to the Premises for any reason, including assignment for the benefit of creditors or voluntary or involuntary bankruptcy proceedings.

(vi) An assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt; or for extending time for payment, adjustment, or satisfaction of Tenant's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the involuntary assignment or involuntary proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within 60 days after the assignment, filing, or other initiating event.

(vii) Tenant's failure to operate the Premises as multifamily housing in accordance with this Agreement and with LIHTC Requirements and Housing Requirements, subject to cure rights permitted by the State housing credit agency.

(b) Whenever Landlord serves upon Tenant a Notice of Default, Landlord agrees to contemporaneously serve such Notice of Default upon any Mortgagee and Tenant's Designated Member. The parties recognize that a Mortgagee or one or more of Tenant's Investor Members may exercise Tenant's cure rights hereunder.

SECTION 14
CURING OF DEFAULT

With respect to an Event of Default (other than an Event of Default under Section 13(a)(i)), if such default cannot, by due diligence, be cured within the period of time specified in Section 13, provided Tenant commences curing of such default within the period specified in Section 13 and Tenant diligently exercising best efforts to cure such default, Tenant shall be entitled to a reasonable additional period of time to effectuate cure.

SECTION 15
LANDLORD'S PERFORMANCE

Landlord may undertake to cure any breach by Tenant hereunder. If Landlord undertakes such cure, Tenant shall be responsible for all Landlord's costs relating to Landlord's cure, including reasonable attorney's fees and costs, which cure sums shall bear interest from the date of expenditure by Landlord at the rate of twelve percent (12%) per annum. Any such expenditures by Landlord hereunder shall not be deemed a waiver by Landlord of Tenant's breach. Further, such expenditures further shall be considered Rent and constitute a monetary breach for purposes of the notice requirements under Section 13(a)(i). Accordingly, Tenant shall have thirty (30) days from the date of the applicable Notice of Default under Section 13(a)(i) to pay Landlord in full for Landlord's cure expenditures plus interest thereon.

SECTION 16
LANDLORD'S REMEDIES

(a) Upon the occurrence of any Event of Default pursuant to Section 13 of this Lease, Landlord may take whatever action at law or in equity, including specific performance of the provisions of this Lease or injunction against its violation, as may appear necessary or reasonable to enforce performance or observance of any covenant, condition, agreement, or obligation of Tenant under this Lease, and may, in addition to such remedies: (1) terminate this Lease and, at Landlord's option, recover from Tenant all unpaid Rent to the date of termination, with interest at twelve percent (12%) per annum; (2) reenter the Premises without termination of the Lease and Tenant's right to possession, and enforce Landlord's rights and remedies under the Lease; (3) with or without termination of this Lease or Tenant's right of possession, cure Tenant's default and thereafter enforce its rights pursuant to Section 15; (4) without termination of the Lease, terminate Tenant's right to possession of the Premises. No payment ,performance, or act of compliance by Landlord of or with any of Tenant's obligations under this Lease shall constitute a waiver or cure of Tenant's default, or render Landlord liable for any loss or damage resulting from any such payment, performance or act of compliance. Landlord's remedies shall be cumulative, and Landlord's election to pursue any remedy expressly provided for herein shall not be deemed to exclude or waive any other remedy allowed by law or in equity.

(b) In the Event of Default, Landlord shall be entitled to recover against Tenant its reasonable legal fees and costs.

SECTION 17
LANDLORD'S WARRANTIES

Landlord warrants that so long as Tenant shall not be in default hereunder beyond any applicable cure period, Tenant shall quietly hold, occupy, and enjoy the Premises and all rights relating thereto during the Term, without hindrance, ejection, or molestation by Landlord or any party claiming by, through, or under Landlord.

SECTION 18
ESTOPPEL CERTIFICATES

Landlord agrees at any time and from time to time, within 10 days after reasonably requested by Tenant in writing, to execute, acknowledge, and deliver, without charge, to Tenant, or to any person designated by Tenant, a statement in writing certifying: (i) that this Lease is in full force and effect and has not been modified, assigned, subleased, supplemented, or amended except by such writings as shall be stated; (ii) that no Notice of Default of this Lease has been served on Tenant (or if Landlord has served such notice, that the default has been cured or the termination has been revoked, if such be the case); (iii) that Landlord has no claims against Tenant hereunder (or, if Landlord has any such claims, specifying the same); and (iv) the dates to which the Annual Rent and Additional Rent have been paid by Tenant.

SECTION 19
PASSTHROUGH ELECTION

(a) Landlord hereby agrees, that if it is deemed the owner of the Premises, to cooperate with Tenant to file an election (the "Election") with respect to the Building, to pass through the Federal Historic Credit pursuant to Section 47 of the Internal Revenue Code (the "Federal Historic Credits") relating to the Premises to Tenant pursuant to the provisions of Section 50(d) of the Code and Section 1.484 of the Treasury Regulations. Tenant shall be responsible for preparation and timely submission of the Election.

(b) It shall be Tenant's responsibility to assure that the Election complies with all requirements of the Code and the Treasury Regulations and is filed by Tenant on or before the respective due dates (including any extensions of time) of Tenant's tax returns for the years in which the qualified rehabilitation expenditures ("QRE") pursuant to Section 47 of the Code, incurred in connection with the rehabilitation of the Building are first placed in service.

(c) Tenant shall prepare and submit, on behalf of Landlord with Landlord's cooperation, to the National Park Service the Secretary of the Treasury and/or the Internal Revenue Service (or any other governmental authority designated for such purpose), on a timely basis, any and all requests for approval, reports, information returns and other certifications and information required:

(i) to ensure that the rehabilitation of the Building (as such term is defined in the Tenant Limited Partnership Agreement) will qualify for Federal Historic Credits;

(ii) to pass through Federal Historic Credits to Tenant; and

(iii) subject to the provisions of this Lease, to avoid recapture of Federal Historic Credits under Section 50 of the Code or reduction of Federal Historic Credits under Section 49, Section 50(b)(3) or Section 168(h) of the Code.

SECTION 20
NOTICES

All Notices shall be in writing and shall be sent by a nationally recognized next-business-day courier service or facsimile (with evidence of receipt) to Landlord or Tenant at the respective address set forth in Section 1. Either party, a Mortgagee or Tenant's Designated Member may, by notice given as aforesaid, change its address for all subsequent Notices. Notices shall be deemed given on the next business day following the day when transmitted in accordance herewith.

SECTION 21
RECORDING

The parties hereto agree that a Memorandum of this Lease shall be recorded in the land records of Marathon County, Wisconsin to document this Lease.

SECTION 22
WAIVER OF JURY TRIAL

Landlord and Tenant waive trial by jury in any action or proceeding brought by either of the parties hereto against the other or on any counterclaim in respect thereof on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises and/or any claim of injury or damage under this Lease.

SECTION 23
NO PARTNERSHIP

Landlord shall not be construed or held to be a partner or associate of or joint venturer with Tenant in the conduct of Tenant's business, it being expressly understood and agreed that the relationship between the parties hereto is and shall at all times remain, during the Term, that of landlord and tenant.

SECTION 24
NO WAIVER

No failure by Landlord or Tenant to insist upon the performance of any term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a default or Event of Default hereunder, and no acceptance of full or partial payment of Annual Rent or Additional Rent during the continuance of any such default or Event of Default shall constitute a waiver of any such default or of such term, covenant, or condition. No waiver of any default or Event of Default shall affect or alter this Lease, but each and every term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default or Event of Default hereunder.

SECTION 25
APPLICABLE LAW, CONSTRUCTION OF LANGUAGE OF LEASE

This Lease is made pursuant to, and shall be construed and enforced in accordance with, the laws in force in the State of Wisconsin. All provisions of this Lease shall be construed to be "conditions" and "covenants" as though language specifically expressing or imposing covenants and conditions were used in each separate provision of this Lease.

SECTION 26
COVENANTS RUN WITH THE LAND

The parties hereto covenant and agree that all of the terms, covenants, conditions, agreements, rights, privileges, obligations, duties, specifications, and recitals in this Lease contained shall be construed as covenants running with the land, and as extending to, inuring to the benefit of, and binding upon Landlord and Tenant and their personal representatives, successors, and assigns to the same extent as if said personal representatives, successors, and assigns were herein named as original parties hereto, all to the end that this Lease shall bind the owner and holder of any interest whatsoever in or to the Premises and the Improvements thereon during the term; provided, however, that no rights shall accrue to any personal representative, successor, or assign of Tenant not permitted under Section 12.

SECTION 27
NO BROKER

The parties hereto covenant and agree with each other that no person is entitled to a brokerage commission, finder's fee, or other similar form of compensation in connection with the execution of this Lease. Each party agrees to hold harmless the other for any action or claim by a person alleging entitlement to such a fee and claiming through that party.

SECTION 28
HOLDING OVER

Should Tenant hold over in possession of the Premises after the expiration of this Lease, Tenant shall be deemed to be occupying the Premises from month to month, subject to such occupancy's being terminated by either party upon at least thirty (30) days' written notice, as though this Lease had continued. Such occupancy shall be subject to all of the terms, covenants, and conditions of this Lease insofar as the same may be applicable to a month-to-month tenancy. Nothing in this Section excludes Landlord's rights of re-entry or any other right hereunder.

SECTION 29
CAPTIONS

The captions appearing in this Lease are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of the Sections of this Lease nor in any way affect this Lease.

SECTION 30
CALCULATION OF TIME

In computing any period of time prescribed or allowed by any provision of this Lease, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. Unless otherwise provided herein, all notice and other periods expire as of 5:00 p.m. on the last day of the notice or other periods.

SECTION 31
SEVERABILITY

If the application of any term or provision of this Lease whether in whole or in part is held invalid or unenforceable in general or in any instance, the remainder of this Lease shall not be affected by such holding and shall be fully valid and enforceable.

SECTION 32
LANDLORD'S WORK: ENVIRONMENTAL ASSESSMENT

The Landlord, at Landlord's sole cost and expense, will provide an environmental assessment to Tenant in order for Tenant to evaluate the requirements to remove asbestos and conduct lead abatement as part of Tenant's rehabilitation of the Premises. The parties acknowledge and agree, however, that Tenant shall be solely responsible for all environmental remediation necessary in connection with rehabilitation and conversion of the Premises.

SECTION 33
COUNTERPARTS

This Lease may be executed in multiple counterparts or in duplicate, and when so executed by all parties shall constitute one agreement.

SECTION 34
TOTAL AGREEMENT

This Lease contains the entire agreement between the parties and cannot be changed or modified except by a written instrument subsequently executed by the parties hereto.

SECTION 35
TIME OF THE ESSENCE

Time is of the essence in all provisions of this Lease to be performed by or on behalf of Tenant.

SECTION 36
THIRD PARTY RIGHTS

Notwithstanding anything to the contrary set forth elsewhere in this Lease, Landlord and Tenant hereby acknowledge and agree that Tenant's Investor Members shall be deemed third-party beneficiaries of the provisions of this Lease which entitle the Tenant's Designated Member to receive Notices hereunder and the Tenant's Investor Members to exercise Tenant's right to cure hereunder. Nothing herein, however, shall require Landlord to name any of Tenant's Investor Members in any legal proceedings instituted by Landlord under Section 16.

SECTION 37
OWNERSHIP OF IMPROVEMENTS

All improvements made by Tenant pursuant to the Plans and Specifications shall remain the property of Tenant until the end of the Term. At the end of the Term, Tenant's improvements shall be the property of Landlord. Tenant, however, shall have the absolute and unrestricted right (but not the obligation) to remove any or all of its personal property or trade fixtures as defined under applicable law prior to the end of the Term. Personal property and trade fixtures which are not removed prior to termination shall thereafter become the property of Landlord.

DOC# 1609366

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed, under seal, as of the date and year first above written.

LANDLORD:

CITY OF WAUSAU

By: James E. Tipple

MASTER TENANT:

Federal Building Redevelopment Limited Partnership

By: MetroPlains Partners, LLC, its General Partner

By: ______________________
Robert G. McCready,
Co-Chief Manager/Co-President

STATE OF WISCONSIN } SS
COUNTY OF MARATHON }

The foregoing instrument was acknowledged before me this 31st day of January, 2011 by James E. Tipple the Mayor of the City of Wausau, a municipal corporation of the State of Wisconsin, on behalf of said corporation.

Tammy E. Stratz
Notary Public
My Commission Expires

NOTARY PUBLIC STATE OF WISCONSIN

STATE OF MINNESOTA } SS
COUNTY OF Anoka }

The foregoing instrument was acknowledged before me this 1st day of February, 2011 by Robert G. McCready, the Co-Chief Manager/Co-President of MetroPlains Partners, LLC, a Minnesota limited liability company, on behalf of said company.

Leah M. Skoey
Notary Public

LEAH M. SKOY
Notary Public-Minnesota
My Commission Expires Jan 31, 2015

EXHIBIT "A"
Legal Description

Parcel Identification No.: 291-2907-253-0490

Part of Block 8, Plat of the Village of Wausau (Original Plat of the City of Wausau), Sections 25 and 36, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the intersection of the south line of said Block 8 and a line 29 feet easterly of and parallel with the easterly line of Lot 1, said Block 8, the point of beginning.

Thence westerly along said south line of Block 8 to the easterly right-of-way of North First Street; thence northerly along said easterly right-of-way to the southerly right-of-way of Jefferson Street; thence easterly along said southerly right-of-way to a line 29 feet easterly of and parallel with the east lines of Lots 1, 4, 7 and 8, said Block 8; thence southerly along said parallel line to said south line of Block 8, the point of beginning.

EXHIBIT "B"
"Storage Area"

Historic furniture in the courtroom, including pews, desks, memorbilia remains the property of the City of Wausau.

DOC# 1609366

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
AND SECOND AMENDMENT TO MASTER GROUND LEASE

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND SECOND AMENDMENT TO MASTER GROUND LEASE (this "Amendment") is made effective as of the ____ day of __________, 2023 (the "Effective Date"), by and between the **City of Wausau, Wisconsin**, a Municipal Corporation of the State of Wisconsin (the "City") and **Federal Building Redevelopment Limited Partnership**, a Wisconsin limited partnership, or its designee, qualified to do business in Wisconsin ("Tenant").

RECITALS

WHEREAS, the City and Tenant entered into that certain Development Agreement dated as of January 31, 2011 (the "Development Agreement"); and

WHEREAS, pursuant to the Development Agreement, the City and Tenant entered into that certain Master Ground Lease dated as of February 1, 2011 (the "Ground Lease") with respect to the real property located in the City of Wausau, County of Marathon, State of Wisconsin, described on the attached Exhibit A (the "Premises"); and

WHEREAS, the City and Tenant entered into an Amended and Restated Master Ground Lease dated as of March 15, 2012; and

WHEREAS, the parties hereto now desire to amend certain terms of the Development Agreement and Ground Lease (capitalized terms which are not otherwise defined herein shall be deemed to have the same meanings herein as are ascribed to such terms in the Development Agreement or the Ground Lease, as the case may be).

NOW, THEREFORE, in consideration of the foregoing, and other valuable consideration, effective as of the Effective Date, the parties hereto agree as follows:

1. **Amendments to Development Agreement**.

Section 3 Rent shall be amended to reflect the addition of the $121,000.00 loan (b.)

3.a. Financing Assistance. Subject to the provisions of this Agreement, CITY shall loan Federal Building Limited Partnership, for a 30-year period, zero percent (0%) interest, $75,000.00 from TIF #3 for blight elimination, environmental testing and cleanup, site preparation, infrastructure, and utilities/services. Such funding shall be provided as set forth in the Development Plan, and the terms of such funding shall be evidenced by appropriate loan documents acceptable to CITY.

3.b. Subject to the provisions of this Agreement, CITY shall loan Federal Building Limited Partnership, for an 8-year period, two percent (2%) interest, $121,000 from TIF #3 for blight elimination and rehabilitation of the historical structure. Such funding shall be provided as set forth in the Development Plan, and the terms of such funding shall be evidenced by appropriate loan documents acceptable to City.

2. **Amendment to Master Ground Lease**. Addition of the $121,000.00 loan.

a. Section 1 Definitions. shall be amended to reflect the addition of the $121,000.00 loan from the City of Wausau.

Loan Documents: All documents evidencing or securing the Mortgages encumbering Tenant's leasehold interest in the Premises securing the following loans: first loan of $3,100,000.00 in favor of the Wisconsin Housing and Economic Development Authority, second loan of $548,800.00 in favor of the Wisconsin Department of Administration, third loan of $75,000.00 in favor of the City of Wausau, and fourth loan of $121,000.00 in favor of the City of Wausau.

Mortgages: The mortgages or deeds of trust encumbering Tenant's leasehold interest in the Premises described as follows: first mortgage securing indebtedness in the amount of $3,100,000.00 in favor of the Wisconsin Housing and Economic Development Authority, second mortgage securing indebtedness in the amount of $548,800.00 in favor of the Wisconsin Department of Administration, third mortgage securing indebtedness in the amount of $75,000.00 in favor of the City of Wausau, and fourth mortgage securing indebtedness in the amount of $121,000.00 in favor of the City of Wausau.

b. Section 3 Rent.

(a) Beginning on the Commencement Date and on the anniversary date thereof for each year during the Term, Tenant, without deduction, set-off, recoupment, counterclaim, or demand, shall pay the Annual Rent for the applicable year to Landlord at Landlord's Address, except for the annual rent payment due during the eight year loan shall be forgiven which shall start 7/1/2024; however, the difference between the annual loan and the lease payment shall be paid to the City. By way of example, Metroplains will pay the City $17,000 in annual rent in 2023. Per the Development Agreement, this rent increases 2% annually and will continue to do so with this amendment. The annual loan payment, which will begin in 2024, will be $16,538.88. Using the 2023 lease payment of $17,000 - $16,538.88 loan payment = $461.12 would be due to the City for rent.

3. **<u>Lender Consent</u>**. Tenant shall use commercially reasonable efforts to promptly obtain a consent to this Amendment from each of its mortgage lenders with a mortgage on Tenant's leasehold interest in the Premises in the form attached hereto or in a form otherwise reasonably acceptable to the City.

4. **<u>Reaffirmation of Development Agreement and Master Ground Lease</u>**. The Development Agreement and the Master Ground Lease, both as modified by this Amendment, remain in full force and effect, and all terms of the Development Agreement and the Master Ground Lease, as modified hereby, are hereby ratified and reaffirmed. The provisions of the Development Agreement and the Master Ground Lease not affected by this Amendment remain in full force and effect.

5. **<u>Representations and Warranties of Tenant</u>**. Tenant hereby represents and warrants to the City that:

a. After giving effect to this Amendment, all of the representations and warranties made by Tenant in the Development Agreement and the Development Agreement and the Master Ground Lease are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under the Development Agreement or the Master Ground Lease has occurred and is continuing as of the Effective Date of this Amendment.

b. The making, execution and delivery of this Amendment, and performance of and compliance with the terms of the Development Agreement and the Master Ground Lease, as amended, have been duly authorized by all necessary action of Tenant. This Amendment is the valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms.

6. **Miscellaneous**. If any provision of this Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions of this Amendment shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The parties agree that faxed and electronically scanned signatures shall be binding on all parties. This Amendment shall be governed in all respects by the laws of the State of Wisconsin.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date first written above.

TENANT:

Federal Building Redevelopment Limited Partnership

By: ______________________________________
Rob McCready, Co-President

THE CITY

THE CITY OF WAUSAU, WISCONSIN

By: ______________________________________
Katie Rosenberg, Mayor

Attest:

By:_______________________________________
Kaitlyn A. Bernarde, Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

Lots 1, 4, 7 and 8, Block 8;

and

The West 29 feet of Lots 2, 3 and 6, Block 8, Original Plat of the City of Wausau, Marathon County, Wisconsin.

Parcel Identification Number: 291.2907.253.0490

MORTGAGEE’S CONSENT

WHEREAS, pursuant to a certain [Mortgage] (the “Mortgage”) given to [____________] (“Lender”) by Federal Building Redevelopment Limited Partnership (“Ground Lessee”) dated at of [___________, ____] and recorded with the Register of Deeds for Marathon County, Wisconsin on [___________, ____] as Document No. [________], Lender took an interest, as mortgagee, in Ground Lessee’s leasehold interest in a portion of the property described on Exhibit A attached to and made a part of this Declaration (the “Mortgaged Property”); and

WHEREAS, Lender now wishes to consent to the terms and conditions of this First Amendment to Development Agreement and Second Amendment to Master Ground Lease (this “Amendment”).

NOW, THEREFORE, Lender hereby consents to Tenant entering into this Amendment.

[_________________________]

By:___________________________________
Name:_________________________________
Title:__________________________________

Planning, Community and Economic Development
Liz Brodek, Development Director

TEL: (715) 261-6680
FAX: (715) 261-6808

MEMO

TO: Economic Development Committee Members

FROM: Tammy Stratz, Community Development Manager

DATE: June 2, 2023

RE: 1408 Bissell Street

The City of Wausau has owned 1408 Bissell Street for over 40 years. The original building was moved to this site and then was added onto to create 8 bedrooms. The goal was to specifically work with North Central Health Care and their extremely handicapped male clients. North Central paid rent to the City and maintained the property. The City was responsible for building maintenance and upgrades.

This partnership worked very well for most of these 40 years. Several months ago we heard from the County that North Central was planning to relocate their clients and no longer needed the Bissell Street property. North Central did not confirm this but then an event happened at Bissell Street which caused the tenants to be temporarily relocated while we made some upgrades/repairs. These repairs took a couple weeks to perform. Once they were completed, North Central requested several additional, unnecessary repairs to be made before they would move back in. For example – several blinds were bent and they wanted them replaced, a kitchen cupboard was broken, a piece of trim was missing – none that should stop a tenant from moving back in.

This incident, with others throughout the years, was an indication that this partnership was no longer working and it is time to sell the house. The City gave North Central a 90-day notice to vacate – which takes them through July to remove their personal property. In the meantime, we had an appraisal completed on the property – which is attached.

Staff is requesting authorization to sell the property and return it to the tax roll. If you have any questions or concerns, please feel free to call me at 715-261-6682 or e-mail me at tammy.stratz@ci.wausau.wi.us.

Thank you.

APPRAISAL OF REAL PROPERTY

1408 Bissell St
Wausau, WI 54401

LOCATED AT

1408 Bissell St
Wausau, WI 54401
BONNIE DOON 1ST ADD LOTS 8 & 9 BLK 5

FOR

Ms. Tammy Stratz and the City of Wausau
407 Grant Street
Wausau, WI 54403

OPINION OF VALUE

295,000

AS OF

05/08/2023

BY

Benjamin Shuman
Phillips Valuation & Consulting, LLC
6005 Hilgemann Street
Weston, WI 54476
715-218-8499
ben.shuman@phillipsvaluation.com

Phillips Valuation & Consulting, LLC
6005 Hilgemann Street
Weston, WI 54476
715-218-8499

05/08/2023

Ms. Tammy Stratz and the City of Wausau
City of Wausau
407 Grant Street
Wausau, WI 54403

Re:	Property:	1408 Bissell St Wausau, WI 54401
	Borrower:	N/A
	File No.:	23-218

Opinion of Value: $	295,000
Effective Date:	05/08/2023

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

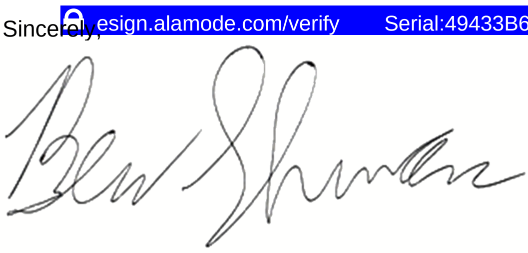
The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,
esign.alamode.com/verify Serial:49433B6B



Benjamin Shuman
License or Certification #: Trainee
State: WI Expires: 12/14/2023
ben.shuman@phillipsvaluation.com

Borrower	N/A			File No.	23-218		
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

TABLE OF CONTENTS

Serial# 49433B6B Serial# CA7B2760
esign.alamode.com/verify

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION		
	Subject Address	1408 Bissell St
	Legal Description	BONNIE DOON 1ST ADD LOTS 8 & 9 BLK 5
	City	Wausau
	County	Marathon
	State	WI
	Zip Code	54401
	Census Tract	0004.00
	Map Reference	48140
PRICE & DATE	Contract Price	$
	Date of Contract	
PARTIES	Borrower	N/A
	Client	Ms. Tammy Stratz
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	2,272
	Price per Square Foot	$
	Location	N;Res;
	Age	71
	Condition	C4
	Total Rooms	8
	Bedrooms	4
	Baths	2
APPRAISER	Appraiser	Benjamin Shuman
	Effective Date of Appraisal	05/08/2023
VALUE	Opinion of Value	$ 295,000

RESIDENTIAL APPRAISAL REPORT

File No.: 23-218

SUBJECT

Property Address: 1408 Bissell St | City: Wausau | State: WI | Zip Code: 54401
County: Marathon | Legal Description: BONNIE DOON 1ST ADD LOTS 8 & 9 BLK 5
Assessor's Parcel #: 291-2907-224-0008
Tax Year: 2022 | R.E. Taxes: $ 0 | Special Assessments: $ 0 | Borrower (if applicable): N/A
Current Owner of Record: City of Wausau | Occupant: [ ] Owner [ ] Tenant [X] Vacant | [ ] Manufactured Housing
Project Type: [ ] PUD [ ] Condominium [ ] Cooperative [ ] Other (describe) | HOA: $ 0 [ ] per year [ ] per month
Market Area Name: City of Wausau | Map Reference: 48140 | Census Tract: 0004.00

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: [X] Market Value (as defined), or [ ] other type of value (describe)
This report reflects the following value (if not Current, see comments): [X] Current (the Inspection Date is the Effective Date) [ ] Retrospective [ ] Prospective
Approaches developed for this appraisal: [X] Sales Comparison Approach [ ] Cost Approach [ ] Income Approach (See Reconciliation Comments and Scope of Work)
Property Rights Appraised: [X] Fee Simple [ ] Leasehold [ ] Leased Fee [ ] Other (describe)
Intended Use: To develop an opinion of market value, as of the effective date of the appraisal.

Intended User(s) (by name or type): Ms. Tammy Stratz and the City of Wausau
Client: Ms. Tammy Stratz | Address: 407 Grant Street, Wausau, WI 54403
Appraiser: Benjamin Shuman | Address: 6005 Hilgemann Street, Weston, WI 54476

MARKET AREA DESCRIPTION

				Predominant Occupancy	One-Unit Housing PRICE $(000)		AGE (yrs)	Present Land Use		Change in Land Use
Location:	[ ] Urban	[X] Suburban	[ ] Rural					One-Unit	45 %	[X] Not Likely
Built up:	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	[X] Owner				2-4 Unit	5 %	[ ] Likely * [ ] In Process *
Growth rate:	[ ] Rapid	[X] Stable	[ ] Slow	[ ] Tenant	35	Low	19	Multi-Unit	5 %	* To:
Property values:	[ ] Increasing	[X] Stable	[ ] Declining	[ ] Vacant (0-5%)	491	High	122	Comm'l	15 %	
Demand/supply:	[X] Shortage	[ ] In Balance	[ ] Over Supply	[X] Vacant (>5%)	270	Pred	50	Other	30 %	
Marketing time:	[X] Under 3 Mos.	[ ] 3-6 Mos.	[ ] Over 6 Mos.							

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Market conditions are considered to be positive, or reflective of the generally positive market conditions of the area. MLS records indicate values appear to be stabilizing. Normal exposure time would be under 3 months. Most sales use conventional financing, financing concessions are not a factor. Normal list/sale price ratio is near to over 100%
Subject is bound to the north by Merrill Avenue, to the south by West Bridge Street, to the east by North 3rd Avenue, to the west by Highway 51. The subject neighborhood consist of a mix between residential properties, commercial and multi-family properties, and also includes Wausau West & Newman Catholic, High Schools. Access to support facilities is considered to be good, being located less than one mile from the goods and services found in the City of Wausau

SITE DESCRIPTION

Dimensions: 190'X113.75' | Site Area: 21,612 sf
Zoning Classification: SR-3 | Description: Residential
Zoning Compliance: [X] Legal [ ] Legal nonconforming (grandfathered) [ ] Illegal [ ] No zoning
Are CC&Rs applicable? [ ] Yes [X] No [ ] Unknown | Have the documents been reviewed? [ ] Yes [ ] No | Ground Rent (if applicable) $ /
Highest & Best Use as improved: [X] Present use, or [ ] Other use (explain) Single family residential is considered best use of subject property.

Actual Use as of Effective Date: Senior Housing | Use as appraised in this report: Single Family Residence
Summary of Highest & Best Use: To use as a single family residential property is considered best use of subject property.

Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private		
Electricity	[X]	[ ]	Public	Street	Asphalt / Black Top	[X]	[ ]	Topography	Mostly Level
Gas	[X]	[ ]	N-Gas	Curb/Gutter	Public	[X]	[ ]	Size	21,612 sf
Water	[X]	[ ]	Public	Sidewalk	None	[ ]	[ ]	Shape	Rectangle
Sanitary Sewer	[X]	[ ]	Public	Street Lights	Public	[X]	[ ]	Drainage	Standard
Storm Sewer	[X]	[ ]	Public	Alley	None	[ ]	[ ]	View	N;Prk;

Other site elements: [X] Inside Lot [ ] Corner Lot [ ] Cul de Sac [ ] Underground Utilities [ ] Other (describe)
FEMA Spec'l Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 55073C0382F | FEMA Map Date 07/22/2010
Site Comments: While no adverse site conditions or external factors are known, no guarantee is made that they do not exist. No zoning problems are readily apparent. Compliance with exact setbacks and technical zoning requirements are beyond the scope of this appraisal.

DESCRIPTION OF THE IMPROVEMENTS

General Description
- # of Units: 1 [ ] Acc.Unit
- # of Stories: 1
- Type: [X] Det. [ ] Att. [ ]
- Design (Style): DT1;Ranch
- [X] Existing [ ] Proposed [ ] Und.Cons.
- Actual Age (Yrs.): 71
- Effective Age (Yrs.): 15

Exterior Description
- Foundation: MsnryBlk/Avg
- Exterior Walls: Brk/Vin/Avg
- Roof Surface: AsphSgh/Gd-Avg
- Gutters & Dwnspts.: Alum/Avg
- Window Type: DH/Avg
- Storm/Screens: Nylon/Avg

Foundation
- Slab: N/A
- Crawl Space: N/A
- Basement: Full
- Sump Pump [ ] N/A
- Dampness [ ] N/A
- Settlement: N/A
- Infestation: N/A

Basement [ ] None
- Area Sq. Ft.: 1,638
- % Finished: 75%
- Ceiling: Drop
- Walls: Standard
- Floor: WD/Cer/Avg
- Outside Entry: Walk-Out

Heating
- Type: FA
- Fuel: N-Gas

Cooling
- Central: AC
- Other:

Interior Description		Appliances		Attic [ ] None		Amenities			Car Storage [ ] None
Floors	Cer/Avg	Refrigerator	[X]	Stairs	[X]	Fireplace(s) # 1		Woodstove(s) # 0	Garage # of cars (6 Tot.)
Walls	DW/Avg	Range/Oven	[X]	Drop Stair	[ ]	Patio	None		Attach. 0
Trim/Finish	Wd/Avg	Disposal	[ ]	Scuttle	[X]	Deck	Wooden		Detach. 0
Bath Floor	Cer/Avg	Dishwasher	[X]	Doorway	[X]	Porch	Front		Blt.-In 2
Bath Wainscot	DW/Avg	Fan/Hood	[ ]	Floor	[ ]	Fence	None		Carport 0
Doors	Standard	Microwave	[ ]	Heated	[ ]	Pool	None		Driveway 4
		Washer/Dryer	[X]	Finished	[ ]				Surface Asphalt

Finished area **above** grade contains: 8 Rooms 4 Bedrooms 2 Bath(s) 2,272 Square Feet of Gross Living Area Above Grade
Additional features: The subject property features a front porch and rear deck.

Describe the condition of the property (including physical, functional and external obsolescence): C4;No updates in the prior 15 years;There was no deferred maintenance observed at the time of inspection. There is no apparent functional or external obsolescence. All conditions found to be acceptable, matching those typically found in a well maintained home.

RESIDENTIAL APPRAISAL REPORT

File No.: 23-218

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): WI-Dept-Of-Rev

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing:
Date:	Per search of WI-Dept-Of-Rev, the subject had no transfers in the past three (3) years; Comparables 1, 2, 3, and 5 have had no transfers in the last twelve (12) months. Comp 4 transferred on 12/14/2022 for $300,000 and is labeled in the WDOR as "2-Non-Useable-Sale".
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH TO VALUE (if developed) ☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	1408 Bissell St Wausau, WI 54401	1407 Brown St Wausau, WI 54403		710 N 28th Ave Wausau, WI 54401		1215 Spring St Wausau, WI 54403	
Proximity to Subject		2.30 miles E		1.03 miles SW		2.12 miles E	
Sale Price	$		$ 279,900		$ 285,000		$ 285,000
Sale Price/GLA	$ /sq.ft.	$ 150.32 /sq.ft.		$ 143.94 /sq.ft.		$ 128.49 /sq.ft.	
Data Source(s)	Inspection	MLS#22201723;DOM:5		MLS#22204921;Dom:1		MLS#22201828;DOM:4	
Verification Source(s)	Assessment	Inspection / Assessment Records		Inspection / Assessment Records		Inspection / Assessment Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.
Sales or Financing Concessions		Conventional 0		FVA $2,500;Sell	-2,500	Conventional 0	
Date of Sale/Time		s;05/22:c;06/22		s;10/22:c;11/22		s;05/22:c;07/22	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	N;Res;	N;Res;		N;Res		N;Res	
Site	21,612 sf	37,462 sf	-9,352	20,909 sf	0	10,890 sf	+6,326
View	N;Prk;	N;Res	0	N;Res	0	N;Res	0
Design (Style)	DT1;Ranch	DT1;Ranch		DT1.5;Contemp.	0	DT2;2 Story	0
Quality of Construction	Q4	Q4		Q3	-5,700	Q4	
Age	71	69	0	27	0	58	0
Condition	C4	C4		C3	-5,700	C4	
Above Grade Room Count (Total / Bdrms / Baths)	8 / 4 / 2	7 / 3 / 2.1	+2,000	7 / 3 / 2.1	+2,000	8 / 4 / 2.1	-1,500
Gross Living Area	2,272 sq.ft.	1,862 sq.ft.	+10,250	1,980 sq.ft.	+7,300	2,218 sq.ft.	+1,350
Basement & Finished	1638sf1229fin	1862sf900fin	0	1400sf657fin	+5,240	1600sf555fin	+3,750
Rooms Below Grade	4bd1ba0o	bd1ba0o	0	1bd1ba1o	0	0bd0ba1o	0
Functional Utility	Typical For Age	Typical For Age		Typical For Age		Typical For Age	
Heating/Cooling	FA/CA	FA/CA		FA/CA		FA/CA	
Energy Efficient Items	Typical For Age	Typical For Age		Typical For Age		Typical For Age	
Garage/Carport	2gbi4dw	2ga4dw	0	2ga4dw	0	2ga4dw	0
Porch/Patio/Deck	Porch/Deck	Deck	+1,500	Deck/Porch	0	Deck/Patio/Porch	-1,500
Net Adjustment (Total)		☒ + ☐ -	$ 4,398	☒ + ☐ -	$ 640	☒ + ☐ -	$ 8,426
Adjusted Sale Price of Comparables			$ 284,298		$ 285,640		$ 293,426

Summary of Sales Comparison Approach: Adjustment for GLA is $25 per square foot; finished basement $15 per square foot; unfinished basement $10 per square foot; $3,500 per bedroom; $1,500 per 1/2 bath; $3,000 per full bath; $1,500 decks, porch, patios; $25,000 per acre ($0.59 per square foot); $1,500 per garage stall; $500 for driveway and sheds; 3% for condition/quality; These are contributory value adjustments derived from the local market.

See "**Comment on comparable sales**" in the supplemental addendum.

Indicated Value by Sales Comparison Approach $ 295,000

ADDITIONAL COMPARABLE SALES

File No.: 23-218

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address	1408 Bissell St Wausau, WI 54401	1215 Elm St Wausau, WI 54401		3340 N 12th St Wausau, WI 54403			
Proximity to Subject		1.23 miles S		2.08 miles E			
Sale Price	$		$ 300,000		$ 301,000		$
Sale Price/GLA	$ /sq.ft.	$ 153.69 /sq.ft.		$ 149.60 /sq.ft.		$ /sq.ft.	
Data Source(s)	Inspection	MLS#22204203;DOM:5		MLS#22201276;DOM:7			
Verification Source(s)	Assessment	Inspection / Assessment Records		Inspection / Assessment Records			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.
Sales or Financing Concessions		Cash 0		Conventional 0			
Date of Sale/Time		s;08/22:c;09/22		s;04/22:c;05/22			
Rights Appraised	Fee Simple	Fee Simple		Fee Simple			
Location	N;Res;	N;Res;		N;Res			
Site	21,612 sf	21,780 sf	0	41,818 sf	-11,922		
View	N;Prk;	N;Res	0	N;Res	0		
Design (Style)	DT1;Ranch	DT2;Split-Level	0	DT1.5;Contemp.	0		
Quality of Construction	Q4	Q4		Q4			
Age	71	44	0	83	0		
Condition	C4	C3	-9,000	C3	-9,030		
Above Grade Room Count	Total 8 / Bdrms 4 / Baths 2	Total 8 / Bdrms 4 / Baths 2		Total 7 / Bdrms 3 / Baths 2.1	+2,000	Total / Bdrms / Baths	
Gross Living Area	2,272 sq.ft.	1,952 sq.ft.	+8,000	2,012 sq.ft.	+6,500	sq.ft.	
Basement & Finished Rooms Below Grade	1638sf1229fin 4bd1ba0o	1336sf1336fin 2bd0.1ba1o	+2,485 0	1000sf400fin 0bd0.1ba1o	+10,525 0		
Functional Utility	Typical For Age	Typical For Age		Typical For Age			
Heating/Cooling	FA/CA	FA/CA		FA/CA			
Energy Efficient Items	Typical For Age	Typical For Age		Typical For Age			
Garage/Carport	2gbi4dw	2ga2dw	+1,000	2ga2dw	+1,000		
Porch/Patio/Deck	Porch/Deck	Deck/Porch	0	Deck/Porch	0		
Net Adjustment (Total)		☒ + ☐ -	$ 2,485	☐ + ☒ -	$ -927	☐ + ☐ -	$
Adjusted Sale Price of Comparables			$ 302,485		$ 300,073		$

Summary of Sales Comparison Approach Adjustment for GLA is $25 per square foot; finished basement $15 per square foot; unfinished basement $10 per square foot; $3,500 per bedroom; $1,500 per 1/2 bath; $3,000 per full bath; $1,500 decks, porch, patios; $25,000 per acre ($0.59 per square foot); $1,500 per garage stall; $500 for driveway and sheds; 3% for condition/quality; These are contributory value adjustments derived from the local market.

See "**Comment on comparable sales**" in the supplemental addendum.

RESIDENTIAL APPRAISAL REPORT

File No.: 23-218

COST APPROACH

COST APPROACH TO VALUE (if developed) ☒ The Cost Approach was not developed for this appraisal.

Provide adequate information for replication of the following cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): A market survey was conducted of vacant lot sales applicable to the subject site within the previous 12 months and the average of the survey was approximately $25,000 per acre. After considering factors which affect market value, the subject site was estimated to have a per square foot value at or near the discovered average.

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW

Source of cost data:

Quality rating from cost service: Effective date of cost data:

Comments on Cost Approach (gross living area calculations, depreciation, etc.):

Given the age of the property, the depreciated cost to construct the property is not considered to be reliable methodology in estimating market value for the subject. Therefore, the Cost Approach has not been weighted in the final reconciliation of market value.

Estimated Remaining Economic Life (if required): 45 Years

OPINION OF SITE VALUE		=$	13,000
DWELLING	Sq.Ft. @ $	=$	
	Sq.Ft. @ $	=$	
	Sq.Ft. @ $	=$	
	Sq.Ft. @ $	=$	
	Sq.Ft. @ $	=$	
		=$	
Garage/Carport	Sq.Ft. @ $	=$	
Total Estimate of Cost-New		=$	
Less Physical	Functional	External	
Depreciation		=$(	)
Depreciated Cost of Improvements		=$	
"As-is" Value of Site Improvements		=$	
		=$	
		=$	
INDICATED VALUE BY COST APPROACH		**=$**	

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed) ☒ The Income Approach was not developed for this appraisal.

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ **Indicated Value by Income Approach**

Summary of Income Approach (including support for market rent and GRM):

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 295,000 **Cost Approach (if developed) $** **Income Approach (if developed) $**

Final Reconciliation See supplemental addendum for weighting of comps in the sales comparison approach. Cost approach and income approach were not developed. See addendum "Scope of Work" for explanation

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 295,000 **, as of:** 05/08/2023 **, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.**

ATTACHMENTS

A true and complete copy of this report contains 25 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

- ☒ Scope of Work
- ☐ Limiting Cond./Certifications
- ☐ Narrative Addendum
- ☒ Photograph Addenda
- ☒ Sketch Addendum
- ☒ Map Addenda
- ☒ Additional Sales
- ☐ Cost Addendum
- ☐ Flood Addendum
- ☐ Manuf. House Addendum
- ☐ Hypothetical Conditions
- ☐ Extraordinary Assumptions

SIGNATURES

Client Contact: Client Name: Ms. Tammy Stratz

E-Mail: Address: 407 Grant Street, Wausau, WI 54403

APPRAISER esign.alamode.com/verify Serial:49433B6B	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable) esign.alamode.com/verify Serial:CA7B2760
Appraiser Name: Benjamin Shuman	Supervisory or Co-Appraiser Name: Noah Phillips
Company: Phillips Valuation & Consulting, LLC	Company: Phillips Valuation & Consulting, LLC
Phone: 715-218-8499 Fax:	Phone: 715-218-8499 Fax:
E-Mail: ben.shuman@phillipsvaluation.com	E-Mail: noah.phillips@phillipsvaluation.com
Date of Report (Signature): 05/08/2023	Date of Report (Signature): 05/08/2023
License or Certification #: Trainee State: WI	License or Certification #: 1844-10 State: WI
Designation:	Designation:
Expiration Date of License or Certification: 12/14/2023	Expiration Date of License or Certification: 12/14/2023
Inspection of Subject: ☒ Interior & Exterior ☐ Exterior Only ☐ None	Inspection of Subject: ☒ Interior & Exterior ☐ Exterior Only ☐ None
Date of Inspection: 05/08/2023	Date of Inspection: 05/08/2023

Serial# 49433B6B Serial# CA7B2760
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Borrower	N/A
Property Address	1408 Bissell St
City	Wausau County Marathon State WI Zip Code 54401
Client	Ms. Tammy Stratz

Comparables Summary & Estimated Indicated Value
Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject.
As with any method, this technique is not perfect. However, it does do a very good job of giving more weight to the most similar comps while at the same time minimizing values near the extremes of the indicated value range.

The amount of weight given to each adjusted comparable sale, is based on lowest gross adjustment. They are weighted as Comp 1, 2, 3, 4 & 5. The module gives a weighted indicated value of $294,641.54 and is rounded to the final value of $295,000.

The appraiser is not a home inspector, nor is the appraiser a contractor with expertise in electrical systems, plumbing, engineering, radon, termites, environmental hazards, etc. Any obvious conditions readily observable are noted. Only items that affect soundness, safety, or security of the property are required repairs under conventional loan requirements. The appraiser does not guarantee that the property is free of defects. A professional home inspection is recommended.

Signature Certification
The digital signatures in this report are duplicates of the original signature(s) and have not been altered or changed in any way.

Software Certification
Any and all references in this (TOTAL) software regarding clients, intended users, intended use, definition of value, assignment conditions, relevant characteristics, scope or work performed, and/or any other conditions / assumptions relative to this assignment are superseded by data expressly entered by the appraiser, respectively.

URAR: Site - Highest and Best Use
The subject is a legally permissible use based on its current zoning. Also, the lot size, shape and land-to-building ratio allow the present structure and indicate a good utilization of the improvements. Based on current market conditions, the existing structure as a single family residence is its financially feasible and maximally productive use. The highest and best use, as if vacant, would be to construct a single family residence.

Geographic competency statement
The subject property is located 12 miles from my office. I have spent sufficient time in the subject's market and understand the local market and the supply and demand factors relating to the specific property type and the location involved.

Comment on property values in the present market
https://www.wra.org/ (Wisconsin Realtors Association)
March 2023 at a glance
Low inventories kept March sales low and contributed to strong price pressure over the past 12 months. Existing home sales fell 23.6% between March 2022 and March 2023, whereas the median home price rose 6.9% to $272,500 over that 12-month period.
This is consistent with the pattern seen in January and February. Overall, first quarter sales fell 27.4% relative to the first three months of 2022, and median prices rose 9.4% to $262,500 over that same period.
Inventory does follow a regular seasonal pattern, with inventory levels typically shrinking in the winter and then growing during the spring and before peaking in the summer. However, the inventory levels for March are historically low, with just 13,342 units for sale
Months of supply were at just 2.2 months in March, unchanged from a year earlier. The last time the Wisconsin housing market was balanced, with six months of supply, was August 2017. Over the past three years, March inventory levels have been consistently in the range of 2.2 months to 2.5 months, translating to a very strong seller's advantage in the market.
Tight inventories were remarkably consistent throughout the state. March inventories ranged from a low of 2.0 months in the Central and Southeast regions to just 2.5 months of supply in the North region. Over the last 12 months, inventories have been tightest for entry-level homes, which are homes with sale prices ranging between $125,000 and just under $350,000, where there were 1.5 to 1.7 months of supply. The strongest supply was seen in higher-priced homes, priced at $500,000 and over, where inventories stood at 4.2 months
Housing affordability is influenced by changes in income, home prices and borrowing costs. The Wisconsin Housing Affordability Index measures the fraction of the median-priced home that a qualified buyer with median family income can buy, assuming a 20% down payment and the remaining balance financed using a 30-year fixed-rate mortgage at current rates. Median prices rose 6.9% over the last 12 months, and the average monthly mortgage rate increased from 4.17% in March 2022 to 6.54% in March 2023. In contrast, the median family income is projected to have been flat over the past year. The net effect is that the Wisconsin Housing Affordability Index dropped from 181 in March 2022 to just 132 in March 2023.

Borrower	N/A
Property Address	1408 Bissell St
City	Wausau County Marathon State WI Zip Code 54401
Client	Ms. Tammy Stratz

Comment on comparable photos
The appraiser has driven past all comparable sales. MLS photos have been added for quality and clarity.

Comment on comparable sales
The comparable sales in this report have failed to bracket the subject property's GLA. Despite this fact, the comparables chosen were done so because of similarities in GLA, room count, quality, condition, and location. The comparable sales in this report are believed to be the most reflective of the subject property that have sold within the last 12 months in the market area.

Comment on Comparable Distance
The County of Marathon Wisconsin consists of approximately 1,545 square miles. Within the last 12 months, the entire county has had 1,655 closed sales, leaving one sale for approximately every 0.93 square miles. Due to the lack of data it is necessary to expand the search for accurate comparables.

ANSI Z765-2021 Statement
The subject property has been measured following the ANSI Z765-2021 standards. The main level consists of 2273 square feet of above grade finished living area. The basement is approximately 75% finished with 1229 finished square feet below grade and approximately 409 unfinished square feet of space below grade. Additionally, the subject contains a front porch and a deck. See attached sketch if further clarification is required

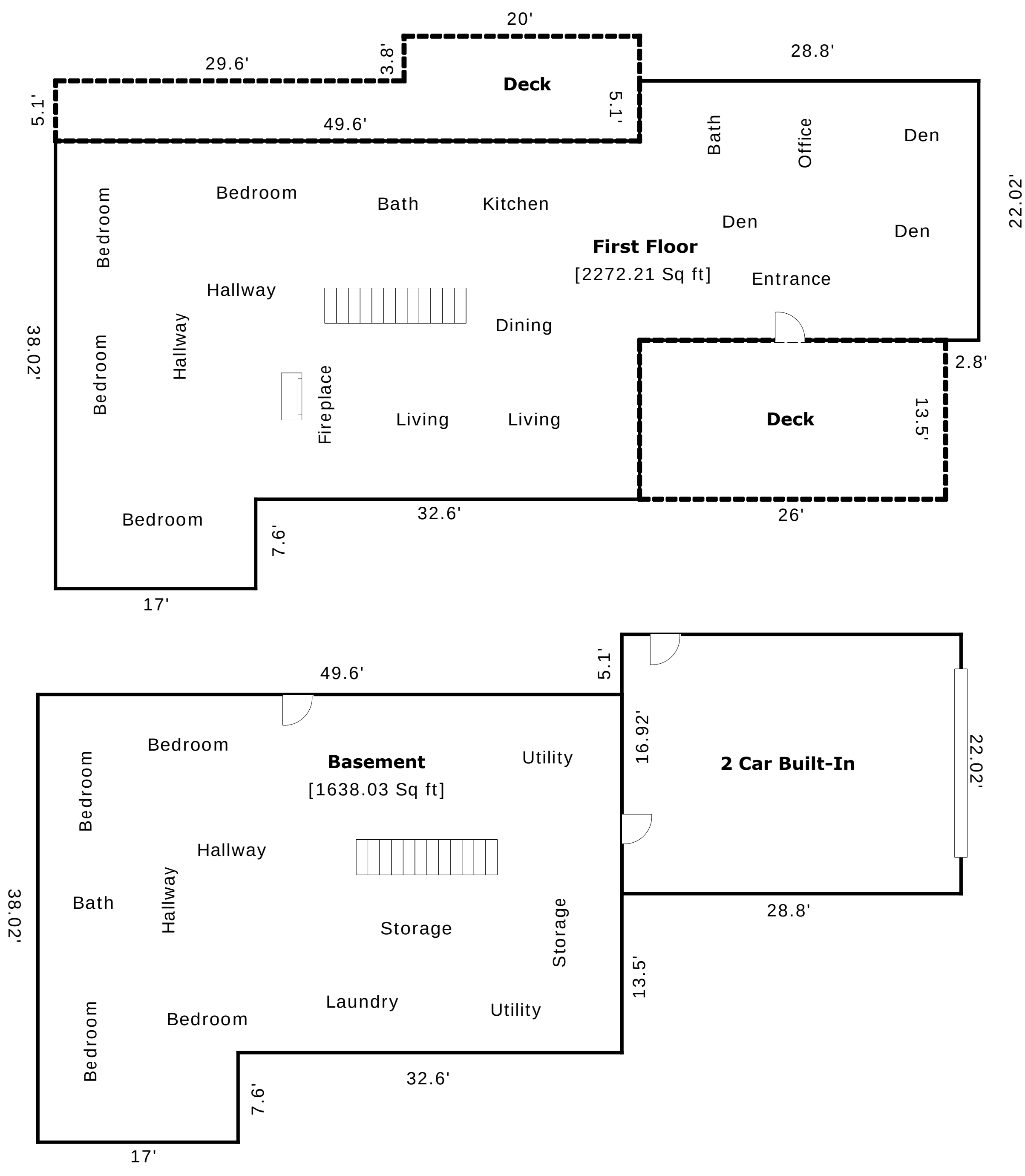
Comment On functional obsolescence
Due to the previous use as a senior care facility and the unique layout of the subject property, an adjustment for functional obsolescence was considered, but not warranted. The comparables chosen are believed to bracket the subject properties key features accurately.

Age of Subject

Subject was built in 1952 and the addition was added in 1967.

Building Sketch

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						



TOTAL Sketch by a la mode

Area Calculations Summary

Living Area		**Calculation Details**
First Floor	2272.21 Sq ft	22.02 × 28.8 = 634.18
		30.42 × 32.6 = 991.69
		17 × 38.02 = 646.34
Total Living Area (Rounded):	**2272 Sq ft**	
Non-living Area		
Deck	351 Sq ft	26 × 13.5 = 351
Deck	328.96 Sq ft	8.9 × 20 = 178
		29.6 × 5.1 = 150.96
Basement	1638.03 Sq ft	30.42 × 32.6 = 991.69
		38.02 × 17 = 646.34
2 Car Built-In	634.18 Sq ft	28.8 × 22.02 = 634.18

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Subject Photo Page

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Subject Front

1408 Bissell St
Sales Price
G.L.A. 2,272
Tot. Rooms 8
Tot. Bedrms. 4
Tot. Bathrms. 2
Location N;Res;
View N;Prk;
Site 21,612 sf
Quality Q4
Age 71

Subject Front

Subject Rear

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Subject Photo Page

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Subject Rear

1408 Bissell St

Sales Price	
G.L.A.	2,272
Tot. Rooms	8
Tot. Bedrms.	4
Tot. Bathrms.	2
Location	N;Res;
View	N;Prk;
Site	21,612 sf
Quality	Q4
Age	71

Subject Street

Subject Street

Serial# 49433B6B Serial# CA7B2760
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Interior Photos

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Entry

Den

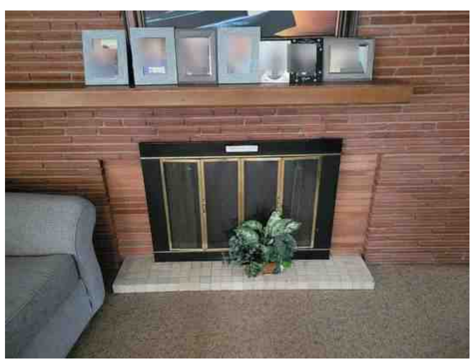
Den

Den

Dining

Kitchen

Living



Fireplace

Rear Entry

Bathroom 1

Bathroom 1

Bedroom 1

Bedroom 2

Hallway

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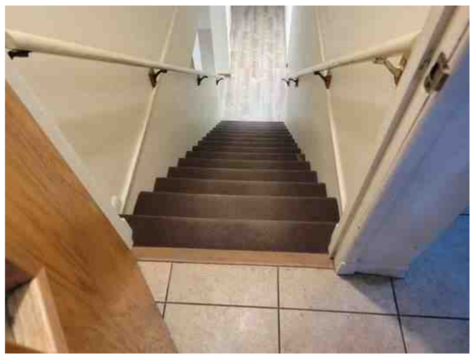
Interior Photos

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Bedroom 4



Basement Staircase

Basement

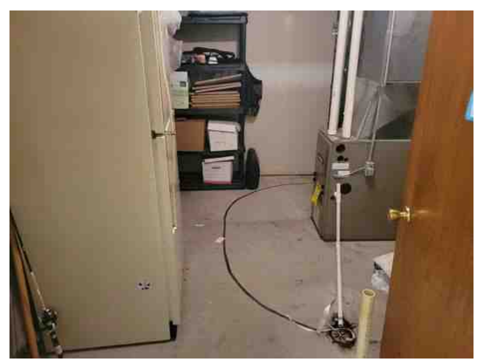
Basement Laundry

Basement Utility

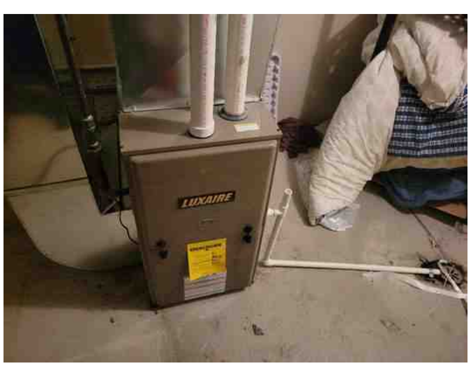
Basement Garage Entry

Basement Bedroom 1

Basement



Basement Utility



Basement Utility

Basement Bedroom 2

Basement Hallway

Basement Bedroom 3

Basement Bathroom 1

Basen

Serial# 49433B6B Serial# CA7B2760
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Interior Photos

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Garage Interior

Electrical Panel

Basement Utility

Bathroom 2 (1st Floor)

Office (1st Floor)

AC / Electrical Meter

Gas Meter

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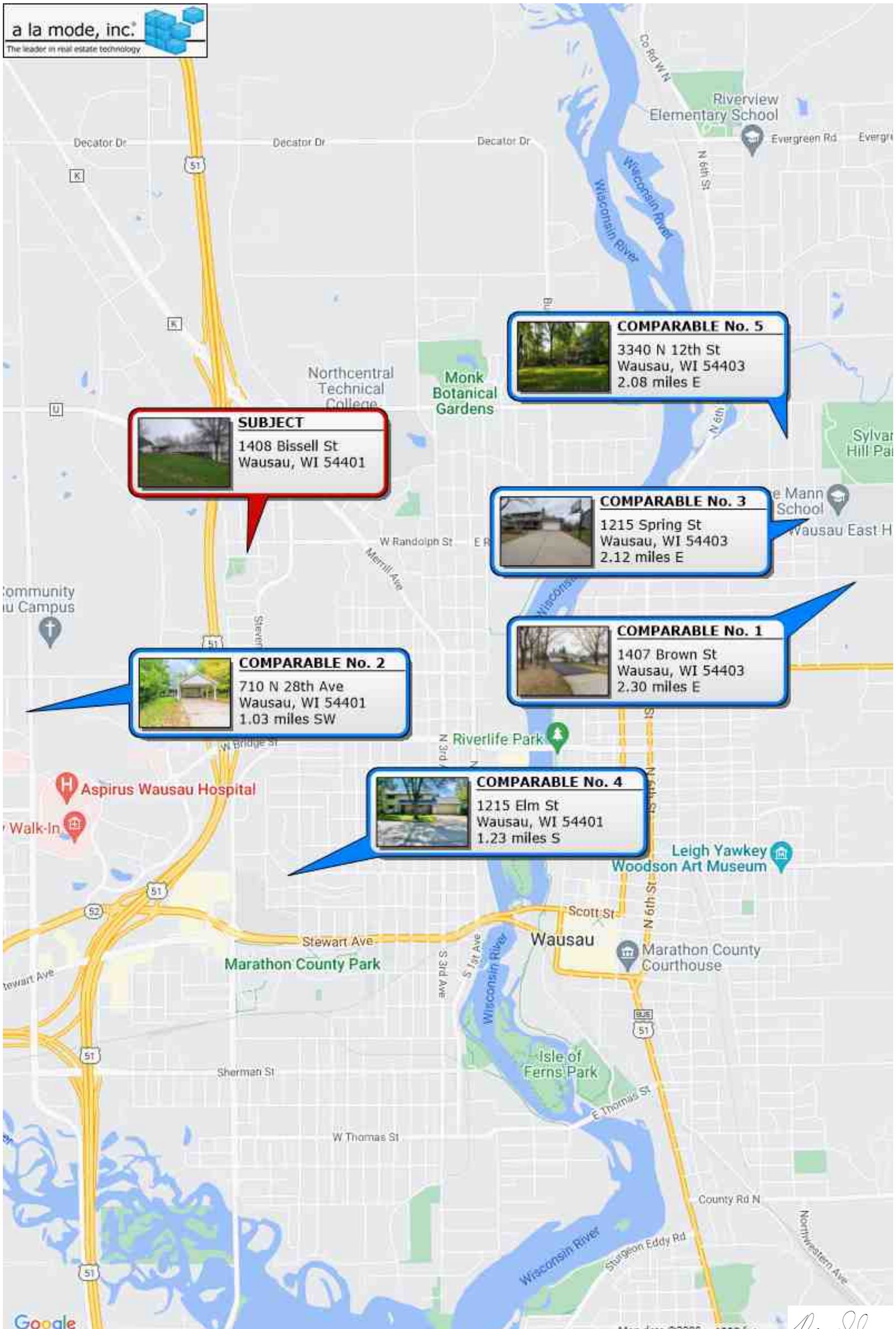
Location Map

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						



Form MAP_LT.LOC - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

Serial# 49433B6B Serial# CA7B2760
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Site Map

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Serial# 49433B6B Serial# CA7B2760
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Comparable Photo Page

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Comparable 1

1407 Brown St

Proximity	2.30 miles E
Sale Price	279,900
GLA	1,862
Total Rooms	7
Total Bedrms	3
Total Bathrms	2.1
Location	N;Res;
View	N;Res
Site	37,462 sf
Quality	Q4
Age	69

Comparable 2

710 N 28th Ave

Proximity	1.03 miles SW
Sale Price	285,000
GLA	1,980
Total Rooms	7
Total Bedrms	3
Total Bathrms	2.1
Location	N;Res
View	N;Res
Site	20,909 sf
Quality	Q3
Age	27

Comparable 3

1215 Spring St

Proximity	2.12 miles E
Sale Price	285,000
GLA	2,218
Total Rooms	8
Total Bedrms	4
Total Bathrms	2.1
Location	N;Res
View	N;Res
Site	10,890 sf
Quality	Q4
Age	58

Serial# 49433B6B Serial# CA7B2760
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Comparable Photo Page

Borrower	N/A						
Property Address	1408 Bissell St						
City	Wausau	County	Marathon	State	WI	Zip Code	54401
Client	Ms. Tammy Stratz						

Comparable 4

1215 Elm St

Prox. to Subject	1.23 miles S
Sale Price	300,000
Gross Living Area	1,952
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2
Location	N;Res;
View	N;Res
Site	21,780 sf
Quality	Q4
Age	44

Comparable 5

3340 N 12th St

Prox. to Subject	2.08 miles E
Sale Price	301,000
Gross Living Area	2,012
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.1
Location	N;Res
View	N;Res
Site	41,818 sf
Quality	Q4
Age	83

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered “new” if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner’s site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:
3.2 indicates three full baths and two half baths.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviations Used in Data Standardization Text

Abbreviation	Full Name	Fields Where This Abbreviation May Appear
A	Adverse	Location & View
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
ArmLth	Arms Length Sale	Sale or Financing Concessions
AT	Attached Structure	Design (Style)
B	Beneficial	Location & View
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
BsyRd	Busy Road	Location
c	Contracted Date	Date of Sale/Time
Cash	Cash	Sale or Financing Concessions
Comm	Commercial Influence	Location
Conv	Conventional	Sale or Financing Concessions
cp	Carport	Garage/Carport
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
cv	Covered	Garage/Carport
DOM	Days On Market	Data Sources
DT	Detached Structure	Design (Style)
dw	Driveway	Garage/Carport
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
g	Garage	Garage/Carport
ga	Attached Garage	Garage/Carport
gbi	Built-in Garage	Garage/Carport
gd	Detached Garage	Garage/Carport
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
GR	Garden	Design (Style)
HR	High Rise	Design (Style)
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Ind	Industrial	Location & View
Listing	Listing	Sale or Financing Concessions
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
MR	Mid-rise	Design (Style)
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
o	Other	Basement & Finished Rooms Below Grade
O	Other	Design (Style)
op	Open	Garage/Carport
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA - Rural Housing	Sale or Financing Concessions
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
RT	Row or Townhouse	Design (Style)
s	Settlement Date	Date of Sale/Time
SD	Semi-detached Structure	Design (Style)
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
Woods	Woods View	View
Wtr	Water View	View
WtrFr	Water Frontage	Location
wu	Walk Up Basement	Basement & Finished Rooms Below Grade

Serial# 49433B6B Serial# CA7B2760
esign.alamode.com/verify

E&O

AIG SPECIALTY INSURANCE COMPANY

Administrative Offices - 1271 Ave of the Americas FL 37, New York, NY 10020-1304

Certificate Number:	013711480-02
This Certificate forms a part of Master Policy Number:	035908521-02
Renewal of Master Policy Number :	035908521-01

NOTICE: THIS INSURANCE IS WRITTEN ON A CLAIMS MADE AND REPORTED BASIS AND ONLY APPLIES TO CLAIMS FIRST MADE AGAINST THE CERTIFICATE HOLDER DURING THE CERTIFICATE PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE CERTIFICATE HOLDER AFTER THE END OF THE CERTIFICATE PERIOD UNLESS, AND TO THE EXTENT, A BASIC OR EXTENDED REPORTING PERIOD APPLIES.

NOTICE: DEFENSE EXPENSES ARE INCLUDED WITHIN AND REDUCE THE APPLICABLE LIMIT OF LIABILITY STATED IN THE CERTIFICATE. PLEASE READ THE ENTIRE POLICY CAREFULLY.

NORMAN-SPENCER REAL ESTATE RISK PURCHASING GROUP INC dba
THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS
(A Delaware Corporation)

CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder: **Phillips Valuation & Consulting, LLC**

6005 Hilgemann Street
Weston WI 54476

2. Certificate Period: **Effective Date: 8/25/2022** **to Expiration Date: 8/25/2023**
12:01 a.m. Standard Time at the Address of the Certificate Holder shown in item 1. above

2a. Retroactive Date: **8/25/2015**
12:01 a.m. Standard Time at the Address of the Certificate Holder shown in item 1. above

3. Limit of Liability: $ each claim
$ aggregate limit

4. Deductible: $ each claim

5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES

6. Advance Certificate Holder Premium: $ Surplus Lines Tax 51.60

7. Minimum Earned Premium: 25% or $ Risk Purchasing Group Fee 40.00

Forms and Endorsements:
See Attached Forms Schedule Total: $

Agency Name and Address: **Norman-Spencer Agency, LLC**
10050 Innovation Drive, Suite 340
Miamisburg, OH 45342

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

County Marathon

Authorized Representative OR
Countersignature (in states where applicable) **Date:** June 27, 2022

This insurance contract is with an insurer which has not obtained a certificate of authority to transact a regular insurance business in the state of Wisconsin, and is issued and delivered as a surplus lines coverage pursuant to s. 618.41 of the Wisconsin Statutes. Section 618.43(1), Wisconsin Statutes, requires payment by the policyholder of 3 percent tax on gross premium. Brian Norman 8075 Washington Village Dr Dayton OH 45458

PRG 4110 5/20

License

EXPIRES: 12/14/2023

NO. 1844 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

NOAH T PHILLIPS

was granted a certificate to practice as a

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law
on the 6th day of April in the year 2012.
The authority granted herein must be renewed each biennium by the granting authority.
In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.

STATE OF WISCONSIN
DEPT. OF SAFETY AND PROFESSIONAL SERVICES

DSPS Secretary

This certificate was printed on the 13th day of December in the year 2021

To: Economic Development Committee

From: Randy Fifrick, Economic Development Manager

Date: June 6, 2023

Re: Commonwealth Planning Option Extension – 700 Grand

In August of 2022, the City of Wausau released a Request for Proposals (RFP) for development of the 700 Grand Ave Sites south of the City's Downtown. The Committee ultimately selected Commonwealth Development. Commonwealth Development proposed a four-story, 50-unit affordable housing development comprised of mid-rise style apartments. The project will have one, two, and three-bedroom units serving individuals and families with younger children.

Project funding is dependent on receiving WHEDA low-income housing tax credits (LIHTC). Commonwealth applied but was not successful in receiving part of the allocation in the 2023 cycle. After consulting with WHEDA, they are eager to apply again in the next funding cycle. The current planning option for the site ends on December 31, 2023 and Commonwealth wishes to extend that date an additional year.

Staff recommends approving the Second Amendment to the Planning Option Agreement with Commonwealth Real Estate Acquisitions for 700 Grand Ave.

SECOND AMENDMENT TO PLANNING OPTION AGREEMENT

This Second Amendment (" Second Amendment") to the Planning Option between the City of Wausau, a municipal corporation of the State of Wisconsin "CITY") and Commonwealth Real Estate Acquisitions, LLC ("DEVELOPER") is made this ___ day of June, 2023.

WHEREAS, the CITY and DEVELOPER entered into a Planning Option for the property located at 700 Grand Avenue on November 15, 2022 ("Option"); and

WHEREAS, the CITY and DEVELOPER entered into an Amendment to the Option January 4, 2023; and

WHEREAS, the Option expires on December 31, 2023; and

WHEREAS, the Option may be extended for an additional six (6) months for an additional fee of $10; and

WHEREAS, the DEVELOPER wishes to extend the Option for a period longer than six (6) months in order to apply for the next cycle of WHEDA Tax Credit applications in 2024; and

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree to amend the Option as follows:

1. As to paragraph 1.(a) Planning Option. The Option shall be extended to December 31, 2024 for an additional $10.

To the extent not amended above, the remainder of the terms in the Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

CITY OF WAUSAU BY:

____

Katie Rosenberg, Mayor

____

Kaitlyn A. Bernarde, Clerk

COMMONWEALTH REAL ESTATE ACQUISITIONS, LLC BY:

____

Kristi Morgan, Principal

913586

DOCUMENT NO.

WARRANTY DEED

STATE BAR OF WISCONSIN FORM 2 — 1982

VOL. 512 PAGE 960

REGISTER'S OFFICE
Marathon County, WI
'89 SEP 21 AM 11 08

Volume 512 of MICRO-RECORDS on page 960
[signature] REGISTRAR

913586 31-29-7

pack #16.00 #337

City of Wausau, a municipal corporation of the State of Wisconsin,

conveys and warrants to Gustav M. Benda and Dorothy J. Benda, husband and wife as survivorship marital property,

the following described real estate in Marathon County, State of Wisconsin:

RETURN TO
Stanley F. Staples Jr.
Attorney at Law
P.O. Box 2137, Wausau

Tax Parcel No:

A parcel of land located in the South 1/2 of the NW fractional 1/4 and the North 1/2 of the SW fractional 1/4, Section 31, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the southwest corner of the said South 1/2 of the NW fractional 1/4; thence S89•59'52"W, 18.49 feet to a point on reference line "ss", also known as 72nd Avenue; thence S0•44'57"W along said reference line, 66.20 feet; thence S89•15'03"E, 70.00 feet to the point of beginning; thence S3•12'54"W, 232.44 feet; thence S50•17'41"E, 105.29 feet; thence along the arc of a curve to the left, said curve having a radius of 433.22 feet, a central angle of 52•07'40" and a long chord of 380.69 feet bearing N49•26'41"E; thence N43•39'42"E, 79.61 feet; thence N18•19'06"E, 128.82 feet; thence along the arc of a curve to the right, said curve having a radius of 903.51 feet, a central angle of 21•39'16", and a long chord of 339.45 feet bearing S79•12'30"W; thence N89•57'52"W, 115.58 feet; thence S3•12'54"W, 64.68 feet to the point of beginning.

(See Reverse for Further)

FEE

#77.25 (2)
EXEMPT

This is not homestead property.
(is) (is not)

Exception to warranties:

Dated this 14th day of September, 19 89.

CITY OF WAUSAU BY:

[signature] (SEAL)

John Robinson, Mayor

[signature] (SEAL)

Shirley A. Freiberg, Deputy Clerk

(SEAL)

(SEAL)

AUTHENTICATION

Signature(s)

authenticated this ....day of ...., 19....

TITLE: MEMBER STATE BAR OF WISCONSIN

(If not, authorized by § 706.06, Wis. Stats.)

THIS INSTRUMENT WAS DRAFTED BY

William P. Nagle, City Attorney for the City of Wausau, 407 Grant Street, Wausau, WI 54401-4783

(Signatures may be authenticated or acknowledged. Both are not necessary.)

ACKNOWLEDGMENT

STATE OF WISCONSIN
ss.
Marathon County.

Personally came before me this 14th day of September, 1989, the above named John Robinson, Mayor, and Shirley A. Freiberg, Deputy City Clerk for the City of Wausau,

to me known to be the person s who executed the foregoing instrument and acknowledge the same.

[signature]

John L. Henlike

Notary Public Marathon County, Wis.
My Commission is permanent. (If not, state expiration date: 6/27 1993.)

*Names of persons signing in any capacity should be typed or printed below their signatures.

WARRANTY DEED

STATE BAR OF WISCONSIN

It is expressly intended and agreed by and between the parties hereto that:

1. This conveyance is subject to all of the deed restrictions contained in Exhibit A attached hereto.

2. This conveyance is expressly subject to all current restrictions concerning ingress and any egress and other restrictions regarding adjacent and/or future rights-of-way, specifically including the ingress and egress restrictions delineated on the map contained in Exhibit B.

3. The City of Wausau retains an easement for the purpose of constructing, reconstructing, maintaining and/or repairing any surface water drainage appurtenances and/or subsurface pipes which are necessary to drain surface water across, under and through the land described in Exhibit C attached hereto.

4. The City of Wausau and the State of Wisconsin retain an easement for the purpose of constructing, reconstructing, maintaining and/or repairing any surface water drainage appurtenances and/or subsurface pipes which are necessary to drain surface water across, under and through the land described in Exhibit D attached hereto.

5. Also specifically retained by the City and by the City and the State are rights-of-entry to the aforedescribed easement premises across any property owned by grantee.

6. It is specifically agreed to between the parties hereto that the aforedescribed easements and rights-of-entry will be permanent and perpetual easements and rights of entry and that no buildings or structures except surface improvements such as, but not limited to, asphalt pavement, curb and gutter, etc., shall be constructed upon or across the permanent easement lands; nor shall large trees be planted upon the permanent easement lands, but small trees and shrubs not exceeding approximately eight feet in height at maturity are permitted.

7. The parties agree that this land shall be sold "as is" without sewer and/or water mains or any other utilities available to it.

8. These covenants, easements, burdens and restrictions shall run with the land and shall forever bind the grantee, its successors and assigns.

Exhibit A

DEED RESTRICTIONS

1. In the event GRANTEES fail to start construction or make substantial use of the land within one year of the date of purchase, the City of Wausau (CITY) shall have the option of repurchasing the land at the original sale price, plus interest at the rate of 5 percent per annum from the date of closing, plus the cost, less depreciation if any, of any improvements made to the property.

In the event GRANTEES elect to convey all or any portion of said land, the land shall first be offered to the CITY and the CITY shall have the option of repurchasing the land at the lesser of the following: The price and terms offered to GRANTEES by a prospective buyer; or at the original sale price, plus interest at the rate of 5 percent per annum from the date of closing, plus the cost, less depreciation if any, of any improvements made to the property, plus any outstanding, unpaid special assessments levied against that portion of the parcel.

The offer to the CITY shall be by registered mail, return receipt requested, mailed to the City Clerk.

The CITY shall have 90 days after the expiration of the one year time limit, or after the notice of intent to convey, to exercise its option to repurchase, unless an extension of time is mutually agreed upon and set forth in writing. Action on the repurchase shall be by a resolution adopted by the Common Council of the CITY. If the option is exercised, conveyance to the CITY shall be by warranty deed free and clear of all liens or encumbrances created by act or default of the GRANTEES.

This repurchase restriction runs with the land as do all the restrictions contained on this document, and all heirs and assigns of GRANTEES and every owner of the parcel shall be subject to this restriction and to all the restrictions in this document.

2. GRANTEES shall build within one year of the date on which the conveyance to the subject property and the consideration for that conveyance are transferred (the date of closing).

3. No building or driveway shall be constructed or erected, any addition made to the exterior of a building, nor shall any change in the use of the premises be made until plans showing the nature and location on the site of the proposed improvements, and the proposed use of the premises shall be approved in writing by the Ecomomic Development Committee or its successor committee.

4. All improvements placed on the premises and any alterations done thereto shall fully comply with the CITY'S zoning ordinances, and any and all other laws, codes and regulations, and specifically, adequate provisions shall be made by the GRANTEES to comply with the setback, parking and off-street loading provisions of the Zoning Code.

5. No premises, or any part thereof, shall be leased, assigned, transferred or sublet, in whole or in part, without the prior written consent of the CITY, and only after a resolution passed by the Wausau Common Council, authorizing the action.

6. All leases or premises in such site shall provide for termination or other penalty, and all conveyances or grants of other interests of premises in said site shall provide for reversion or other penalty if the proposed improvements of the premises so leased or granted is not begun or completed in time represented by the proposed lessee or purchaser and accepted by the Committee or Council (not to exceed one year).

7. CITY shall retain title and possession to any and all of the black dirt and topsoil on the premises. Excess land fill material, other than black dirt and topsoil not wanted by GRANTEES shall not be removed from the premises by the GRANTEES without first offering the same to the CITY, free of charge.

8. There shall be no on-site dumping of anything which the CITY indicates shall not be dumped.

9. The GRANTEES shall submit to the CITY plans and specifications as to the improvements intended to be placed thereon, and a timetable showing anticipated completion dates of the improvements.

10. All railroad service to GRANTEES' property shall be subject to any agreements in effect between the Chicago and North Western Railway Company, Chicago, Milwaukee, St. Paul and Pacific Railroad Company or any other railroad company and the CITY. Railroad lead tracks may not be used for loading or unloading purposes.

11. The entire area between the building(s) of each site and the front property line, except for driveways, shall be landscaped with a combination of street trees, trees, ground cover and shrubbery. All unimproved areas not utilized for parking or outside storage shall be maintained in a weed-free condition. A proposed landscape plan for the entire parcel shall be submitted in conjunction with the submittal required in paragraph 9 above.

12. No parcel adjoining Stewart Avenue shall have direct access onto Stewart Avenue unless approved by the CITY.

13. Before any outside area is used for storage, prior approval for such storage must be received, in writing, from the CITY.

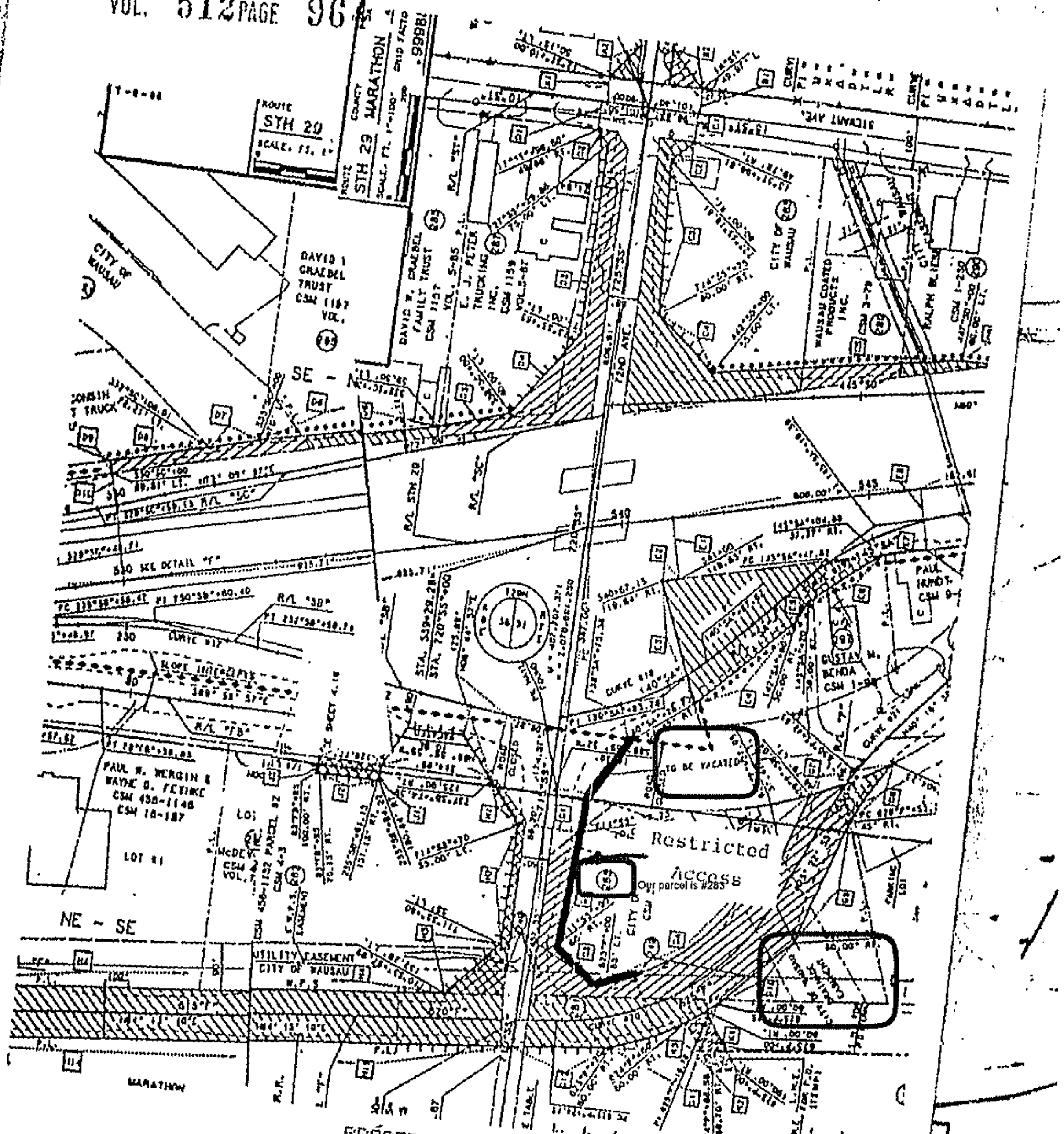
14. Before any outside area is used for storage parking of trucks, trailers, tractors and other motor vehicles, prior approval for such storage parking must be received, in writing, from the CITY.

15. All buildings and improvements on the property, with the exception of the initially constructed building, shall be subject to the approval of the CITY.

16. The Common Council and/or the Ecomomic Development Committee or its successor committee may, unilaterally, in the future, by resolution, provide for other and/or further covenants, regulations, restrictions, and/or encumbrances to this land, or they may exempt the land or any portion of the land from one or all of the above covenants, regulations, or restrictions, and/or encumbrances.

17. These restrictions supercede any conflicting restrictions and/or regulations and/or covenants and/or encumbrances previously passed by the Common Council, and/or recorded in the office of the Marathon County Register of Deeds, which affect the land which is subject to this deed. Any restrictions, regulations, covenants and/or encumbrances which affect the land which is subject to this deed and which are not in conflict with these restrictions herein, are still specifically deemed to be in full force and effect.

VOL. 512 PAGE 964



PROPERTY MAP
CITY OF WAUSAU

EXHIBIT B

EXHIBIT C

That part of the 120.00 foot wide drainage easement as shown on the Certified Survey Map recorded on page 178, Volume 3 of Marathon County Certified Survey Maps, which lies within the above described parcel, and located in the South 1/2 of the NW fractional 1/4 and the North 1/2 of the SW fractional 1/4, Section 31, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin.

Exhibit D

A parcel of land located in the North 1/2 of the SW fractional 1/4 of Section 31, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the Northwest corner of the said North 1/2 of the SW fractional 1/4; thence S89°59'52"W, 18.49 feet to a point on reference line "ss", also known as 72nd Avenue; thence S0°44'57"W along said reference line, 66.20 feet; thence S89°15'03"E, 70.00 feet to the point of beginning; thence N3°12'54"E, 62.83 feet; thence S89°57'52"E, 59.11 feet; thence S78°26'28"E, 187.07 feet; thence S36°35'09"E, 149.87 feet; thence N78°26'28"W, 343.68 feet; thence N3°12'54"E, 26.30 feet to the point of beginning.

REC'D FOR RECORD SEP 2 1 1989
PATRICK D. BRAATZ
REGISTER OF DEEDS
11:13 AM

DocuSign Envelope ID: FEEC4EB4-21EF-453E-BB44-D41287473F84

Approved by Wisconsin Real Estate Examining Board
5-1-22(Optional Use Date) 7-1-22 (Mandatory Use Date)

Hocking Real Estate, LLC

WB-44 COUNTER-OFFER

Counter-Offer No. 1 by (~~Buyer~~/Seller) STRIKE ONE

NOTE: Number this Counter-Offer sequentially, e.g. Counter-Offer No. 1 by Seller, Counter-Offer No. 2 by Buyer, etc.

The Offer to Purchase dated 04/20/2023 and signed by Buyer Jesse Wellhoefer for purchase of real estate at 7130 Packer Drive, Wausau, WI 54401 is rejected and the following Counter-Offer is hereby made.

CAUTION: This Counter-Offer does not include the terms or conditions in any other counter-offer or multiple counter-proposal unless incorporated by reference.

All terms and conditions remain the same as stated in the Offer to Purchase except the following:

1) Purchase price to be $360,000.00 (three hundred sixty thousand)

The attached __________ is/are made part of this Counter-Offer.

Any warranties, covenants and representations made in this Counter-Offer survive the closing of this transaction.

This Counter-Offer is binding upon Seller and Buyer only if a copy of the accepted Counter-Offer is delivered to the Party making the Counter-Offer on or before April 24, 2023 (Time is of the Essence). Delivery of the accepted Counter-Offer may be made in any manner specified in the Offer to Purchase, unless otherwise provided in this Counter-Offer.

NOTE: The Party making this Counter-Offer may withdraw the Counter-Offer prior to acceptance and delivery as provided at lines 30-32.

This Counter-Offer was drafted by Karen Hocking Realty,LLC, Hocking RES, LLC on 04/20/2023
Licensee and Firm ▲ Date ▲

DocuSigned by:
(x) Jesse Wellhoefer 4/20/2023
Buyer's Signature ▲ 3D0CDA295EEC42A... Date ▲
Print name ▶ Jesse Wellhoefer

DocuSigned by:
(x) Michael Benda 4/20/2023
Seller's Signature ▲ Date ▲
Print name ▶ Michael Benda

(x)__________
Buyer's Signature ▲ Date ▲
Print name ▶

(x)__________
Seller's Signature ▲ Date ▲
Print name ▶

This Counter-Offer was presented by Karen Hocking Realty, LLC Hocking Real Estate, LLC on 4/20/2023
Licensee and Firm ▲ Date ▲

This Counter-Offer is (rejected) (countered) STRIKE ONE (Party's Initials) __________

NOTE: Provisions from a previous Counter-Offer may be included by reproduction of the entire provision or incorporation by reference. Provisions incorporated by reference may be indicated in the subsequent Counter-Offer by specifying the number of the provision or the lines containing the provision. In transactions involving more than one Counter-Offer, the Counter-Offer referred to should be clearly specified.

WB-15 COMMERCIAL OFFER TO PURCHASE

LICENSEE DRAFTING THIS OFFER ON April 20, 2023 **[DATE] IS ~~(AGENT OF BUYER)~~ ~~(AGENT OF SELLER/LISTING FIRM)~~ (AGENT OF BUYER AND SELLER) STRIKE THOSE NOT APPLICABLE**

The Buyer, Jesse Wellhoefer,and/or assigns, offers to purchase the Property known as 7130 Packer Drive, Wausau, WI 54401 [e.g., Street Address, Parcel Number(s), legal description, or insert additional description, if any, at lines 620-650, or attach as an addendum per line 676] in the City of Wausau, County of Marathon Wisconsin, on the following terms:

PURCHASE PRICE The purchase price is Three Hundred Fifty Thousand Dollars ($350,000.00).

INCLUDED IN PURCHASE PRICE Included in purchase price is the Property, all Fixtures on the Property as of the date stated on line 1 of this Offer (unless excluded at lines 20-23), and the following additional items: Building as seen on 4/18/2023

All personal property included in purchase price will be transferred by bill of sale or ----

NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included or not included.

NOT INCLUDED IN PURCHASE PRICE Not included in purchase price is Seller's personal property (unless included at lines 12-15) and the following: Contents of building are Tenants property.

CAUTION: Identify trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines 26-34) to be excluded by Seller or that are rented and will continue to be owned by the lessor.

"Fixture" is an item of property which is physically attached to or so closely associated with land or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings; attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations. A Fixture does not include trade fixtures owned by tenants of the Property.

CAUTION: Exclude Fixtures not owned by Seller such as rented fixtures. See lines 20-23.

BINDING ACCEPTANCE This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before April 21, 2023. Seller may keep the Property on the market and accept secondary offers after binding acceptance of this Offer.

CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.

ACCEPTANCE Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical copies of the Offer.

CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines running from acceptance provide adequate time for <u>both</u> binding acceptance and performance.

CLOSING This transaction is to be closed on June 15, 2023 at the place selected by Seller, unless otherwise agreed by the Parties in writing. If the date for closing falls on Saturday, Sunday, or a federal or a state holiday, the closing date shall be the next Business Day.

CAUTION: To reduce the risk of wire transfer fraud, any wiring instructions received should be independently verified by phone or in person with the title company, financial institution, or entity directing the transfer. The real estate licensees in this transaction are not responsible for the transmission or forwarding of any wiring or money transfer instructions.

EARNEST MONEY

■ EARNEST MONEY of $ zero accompanies this Offer.

If Offer was drafted by a licensee, receipt of the earnest money accompanying this Offer is acknowledged.

■ EARNEST MONEY of $ 5,000.00 will be mailed, or commercially, electronically or personally delivered within 5 days ("5" if left blank) after acceptance.

All earnest money shall be delivered to and held by (listing Firm) ~~(drafting Firm) (o~~ther identified as Hocking Real Estate, LLC) STRIKE THOSE NOT APPLICABLE (listing Firm if none chosen; if no listing Firm, then drafting Firm; if no Firm then Seller).

CAUTION: If a Firm does not hold earnest money, an escrow agreement should be drafted by the Parties or an attorney as lines 64-84 do not apply. If someone other than Buyer pays earnest money, consider a special disbursement agreement.

■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise agreed in writing.

■ DISBURSEMENT IF EARNEST MONEY HELD BY A FIRM: If negotiations do not result in an accepted offer and the earnest money is held by a Firm, the earnest money shall be promptly disbursed (after clearance from payer's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been delivered to the Firm holding the earnest money within 60 days after the date set for closing, that Firm may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; (4) upon authorization granted within this Offer; or (5) any other disbursement required or allowed by law. The Firm may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and the Firm may deduct from the earnest money any costs and reasonable attorneys' fees, not to exceed $250, prior to disbursement.

■ LEGAL RIGHTS/ACTION: The Firm's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by the Firm holding the earnest money. At least 30 days prior to disbursement per (1), (4) or (5) above, where the Firm has knowledge that either Party disagrees with the disbursement, the Firm shall send Buyer and Seller written notice of the intent to disburse by certified mail. If Buyer or Seller disagrees with the Firm's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with one-to-four dwelling units. Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the Firm harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or applicable Department of Safety and Professional Services regulations concerning earnest money. See Wis. Admin. Code Ch. REEB 18.

TIME IS OF THE ESSENCE "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing; (5) contingency Deadlines STRIKE AS APPLICABLE and all other dates and Deadlines in this Offer except: ----
_______________. If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

PROPERTY CONDITION REPRESENTATIONS Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of Conditions Affecting the Property or Transaction (lines 104-173) other than those identified in Seller's disclosure report dated April 8, 2023 and a Real Estate Condition Report, if applicable, dated _______________, which was/were received by Buyer prior to Buyer signing this Offer and which is/are made a part of this offer by reference COMPLETE DATE OR STRIKE AS APPLICABLE and _______________

____
_______________ INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S).

CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. § 709.03 may be required. Excluded from this requirement are sales of property that has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, for example, personal representatives, who have never occupied the Property. Buyer may have rescission rights per Wis. Stat. § 709.05.

"Conditions Affecting the Property or Transaction" are defined to include:

a. Defects in the structure or structural components on the Property, e.g. roof, foundation (including cracks, seepage, and bulges), basement or other walls.

b. Defects in mechanical systems, e.g. HVAC (including the air filters and humidifiers), electrical, plumbing, septic, wells, fire safety, security or lighting.

c. Defects in a well on the Property or in a well that serves the Property, including unsafe well water, a joint well serving the Property or any Defect related to a joint well serving the Property.

d. Water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead.

e. Defects in septic system or other private sanitary disposal system on or serving the Property or any out-of-service septic system serving the Property not closed or abandoned according to applicable regulations.

f. Underground or aboveground storage tanks presently or previously on the Property for storage of flammable or combustible liquids, including but not limited to gasoline and heating oil, or any Defects in such tanks presently or previously on the Property; LP tanks on the Property or any defects in such LP tanks.

g. Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, lead in paint, lead in soil, presence of asbestos or asbestos-containing materials, radon, radium in water supplies, mold, pesticides or other potentially hazardous or toxic substances on the Property.

h. Manufacture of or spillage of methamphetamine (meth) or other hazardous or toxic substances on the Property.

i. Zoning or building code violations, any land division involving the Property for which required state or local permits had not been obtained, nonconforming structures or uses, conservation easements.

j. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to impose assessments against the real property located within the district.

k. Proposed, planned or commenced construction of public improvements which may result in special assessments or otherwise materially affect the Property or the present use of the Property.

l. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition, such as orders to correct building code violations.

m. Flooding, standing water, drainage problems or other water problems on or affecting the Property.

n. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.

o. Nearby airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property.

p. Current or previous termite, powder post beetle, or carpenter ant infestations or Defects caused by animal, reptile, or insect infestations.

q. Property or portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.

r. Property is subject to a mitigation plan required under administrative rules of the department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the Property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county.

s. Nonowners having rights to use part of the Property, other than public rights-of-way, including, but not limited to, private rights-of-way and private easements, other than recorded utility easements; lack of legal access or access restrictions; restrictive covenants and deed restrictions; shared fences, walls, wells, driveways, signage or other shared usages; or leased parking.

t. Boundary or lot line disputes, encroachments, or encumbrances affecting the Property.

u. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.

v. Structure on the Property designated as a historic building, all or any part of the Property located in a historic district, or burial sites or archeological artifacts on the Property.

w. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion charge or the payment of a use-value conversion charge has been deferred.

x. All or part of the Property is subject to, enrolled in or in violation of a certified farmland preservation zoning district or a farmland preservation agreement, or a Forest Crop, Managed Forest Law (see disclosure requirements in Wis. Stat. § 710.12), Conservation Reserve or a comparable program.

y. A pier is attached to the Property that is not in compliance with state or local pier regulations, a written agreement affecting riparian rights related to the Property; or the bed of the abutting navigable waterway is owned by a hydroelectric operator.

z. A dam is totally or partially located on the Property; or an ownership interest in a dam not located on the Property will be transferred with the Property because the dam is owned collectively by a homeowners' association, lake district, or similar group of which the Property owner is a member.

aa. Government investigation or private assessment/audit of environmental matters conducted.

bb. Presence of or a Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of hazardous or toxic substances on neighboring properties.

cc. Owner's receipt of notice of property tax increases, other than normal annual increases, or notice or knowledge of a pending property reassessment, remodeling that may increase the property's assessed value, or pending special assessments.

dd. Agreements that bind subsequent owners of the property, such as a lease agreement or an extension of credit from an electric cooperative.

ee. Remodeling, replacements, or repairs affecting the Property's structure or mechanical systems that were done or additions to the Property that were made during the owner's period of ownership without the required permits.

ff. Rented items located on the Property or items affixed to or closely associated with the Property.

gg. Owner is a foreign person as defined in the Foreign Investment in Real Property Tax Act in 26 IRC § 1445(f).

hh. Other Defects affecting the Property, including, without limitation, drainage easement or grading problems; or excessive sliding, settling, earth movement or upheavals.

This Offer shall be null and void if Buyer makes timely delivery of the notice objecting to appraised value and the written appraisal report and:

(1) Seller does not have the right to cure; or

(2) Seller has the right to cure but:

(a) Seller delivers written notice that Seller will not adjust the purchase price; or

(b) Seller does not timely deliver the written notice adjusting the purchase price to the value shown on the appraisal report.

[n/a] **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior to any Deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days ("7" if left blank) after acceptance of this Offer. All other Offer Deadlines that run from acceptance shall run from the time this Offer becomes primary.

CLOSING PRORATIONS The following items, if applicable, shall be prorated at closing, based upon date of closing values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners or homeowners association assessments, fuel and -----
____.

CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.

Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

[xx] The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are defined as general property taxes after state tax credits and lottery credits are deducted). NOTE: THIS CHOICE APPLIES IF NO BOX IS CHECKED.

[ ] Current assessment times current mill rate (current means as of the date of closing).

[ ] Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year, or current year if known, multiplied by current mill rate (current means as of the date of closing).

[ ] ____.

CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be substantially different than the amount used for proration especially in transactions involving new construction, extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor regarding possible tax changes.

[ ] Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate Firms in this transaction.

TITLE EVIDENCE

■ CONVEYANCE OF TITLE: **Upon payment of the purchase price, Seller shall convey the Property by warranty deed (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as provided herein)**, 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, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report, and Real Estate Condition Report, if applicable, and in this Offer, general taxes levied in the year of closing and --------
____
____ (insert other allowable exceptions from title, if any) that constitutes merchantable title for purposes of this transaction. Seller, at Seller's cost, shall complete and execute the documents necessary to record the conveyance and pay the Wisconsin Real Estate Transfer Fee.

WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making improvements to Property or a use other than the current use.

■ TITLE EVIDENCE: Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all costs of providing title evidence to Buyer. Buyer shall pay the costs of providing the title evidence required by Buyer's lender and recording the deed or other conveyance.

■ GAP ENDORSEMENT: Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's) **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the commitment date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy conditions, exclusions and exceptions, provided the title company will issue the coverage. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 482-489).

■ DELIVERY OF MERCHANTABLE TITLE: The required title insurance commitment shall be delivered to Buyer's attorney or Buyer not more than ______________ days ("15" if left blank) after acceptance showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 454-464, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions.

■ TITLE NOT ACCEPTABLE FOR CLOSING: If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title within ______ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have ________ days ("15" if left blank) from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. If Seller is unable to remove said objections, Buyer shall have five days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

■ SPECIAL ASSESSMENTS/OTHER EXPENSES: Special assessments, if any, levied or for work actually commenced prior to the date stated on line 1 of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer. "Levied" means the local municipal governing body has adopted and published a final resolution describing the planned improvements and the assessment of benefits.

CAUTION: Consider a special agreement if area assessments, property owners association assessments, special charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).

LEASED PROPERTY If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) STRIKE ONE lease(s), if any, are Perspective buyer has received a copy of lease and extensions of lease. Buyer understands no security deposit was ever paid. ______________________________ Insert additional terms, if any, at lines 620-650 or attach as an addendum per line 676.

[xx] **ESTOPPEL LETTERS:** Seller shall deliver to Buyer no later than ____ days ("7" if left blank) before closing, estoppel letters dated within _____ days ("15" if left blank) before closing, from each non-residential tenant, confirming the lease term, rent installment amounts, amount of security deposit, and disclosing any defaults, claims or litigation with regard to the lease or tenancy.

DEFINITIONS

■ ACTUAL RECEIPT: "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or written notice physically in the Party's possession, regardless of the method of delivery. If the document or written notice is electronically delivered, Actual Receipt shall occur when the Party opens the electronic transmission.

■ BUSINESS DAY: "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day.

■ DEADLINES: "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The Deadline expires at Midnight on the last day. Additionally, Deadlines expressed as a specific number of Business Days are calculated in the same manner except that only Business Days are counted while other days are excluded. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. Central Time.

■ DEFECT: "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

■ FIRM: "Firm" means a licensed sole proprietor broker or a licensed broker business entity.

■ PARTY: "Party" means the Buyer or the Seller; "Parties" refers to both Buyer and Seller.

■ PROPERTY: Unless otherwise stated, "Property" means the real estate described at lines 4-8.

INCLUSION OF OPTIONAL PROVISIONS Terms of this Offer that are preceded by an OPEN BOX ([ ]) are part of this offer ONLY if the box is marked such as with an "X". They are not part of this offer if marked "N/A" or are left blank.

PROPERTY DIMENSIONS AND SURVEYS Buyer acknowledges that any land, building or room dimensions, or total acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of rounding, formulas used or other reasons, unless verified by survey or other means.

CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building or room dimensions, if material.

DISTRIBUTION OF INFORMATION Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple listing service sold databases; (iii) provide active listing, pending sale, closed sale and financing concession information and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers researching comparable sales, market conditions and listings, upon inquiry; and (iv) distribute copies of this Offer to the seller, or seller's agent, of another property that Seller intends on purchasing.

MAINTENANCE Seller shall maintain the Property and all personal property included in the purchase price until the earlier of closing or Buyer's occupancy, in materially the same condition it was in as of the date on line 1 of this Offer, except for ordinary wear and tear and changes agreed upon by Parties.

PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING If, prior to closing, the Property is damaged in an amount not more than five percent of the purchase price, other than normal wear and tear, Seller shall promptly notify Buyer in writing, and will be obligated to restore the Property to materially the same condition it was in as of the date on line 1 of this Offer. Seller shall provide Buyer with copies of all required permits and lien waivers for the lienable repairs no later than closing. If the amount of damage exceeds five percent of the purchase price, Seller shall promptly notify Buyer in writing of the damage and this Offer may be terminated at option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring the Property.

BUYER'S PRE-CLOSING WALK-THROUGH Within three days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and tear and changes agreed upon by Parties, and that any Defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

OCCUPANCY Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 620-650 or in an addendum attached per line 676. At time of Buyer's occupancy, Property shall be in broom swept condition and free of all debris, refuse, and personal property except for personal property belonging to current tenants, or sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

DEFAULT Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material failure to perform any obligation under this Offer is a default that may subject the defaulting party to liability for damages or other legal remedies.

If Buyer defaults, Seller may:

(1) sue for specific performance and request the earnest money as partial payment of the purchase price; or

(2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual damages.

If Seller defaults, Buyer may:

(1) sue for specific performance; or

(2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

In addition, the Parties may seek any other remedies available in law or equity. The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement.

NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT CAREFULLY. THE FIRM AND ITS AGENTS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.

ENTIRE CONTRACT This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of the Parties to this Offer and their successors in interest.

NOTICE ABOUT SEX OFFENDER REGISTRY You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at http://www.doc.wi.gov or by telephone at (608) 240-5830.

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA) Section 1445 of the Internal Revenue Code (IRC) provides that a transferee (Buyer) of a United States real property interest must pay or withhold as a tax up to 15% of the total "Amount Realized" in the sale if the transferor (Seller) is a "Foreign Person" and no exception from FIRPTA withholding applies. A "Foreign Person" is a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, or foreign estate. The "Amount Realized" is the sum of the cash paid, the fair market value of other property transferred, and the amount of any liability assumed by Buyer.

CAUTION: Under this law if Seller is a Foreign Person, and Buyer does not pay or withhold the tax amount, Buyer may be held directly liable by the U.S. Internal Revenue Service for the unpaid tax and a tax lien may be placed upon the Property.

Seller hereby represents that Seller is a non-Foreign Person, unless (1) Seller represents Seller is a Foreign Person in a condition report incorporated in this Offer per lines 93-95, or (2) no later than 10 days after acceptance, Seller delivers notice to Buyer that Seller is a Foreign Person, in which cases the provisions on lines 607-609 apply.

IF SELLER IS A NON-FOREIGN PERSON. Seller shall, no later than closing, execute and deliver to Buyer, or a qualified substitute (attorney or title company as stated in IRC § 1445), a sworn certification under penalties of perjury of Seller's non-foreign status in accordance with IRC § 1445. If Seller fails to timely deliver certification of Seller's non-foreign status, Buyer shall: (1) withhold the amount required to be withheld pursuant to IRC § 1445; or, (2) declare Seller in default of this Offer and proceed under lines 571-578.

IF SELLER IS A FOREIGN PERSON. If Seller has represented that Seller is a Foreign Person, Buyer shall withhold the amount required to be withheld pursuant to IRC § 1445 at closing unless the Parties have amended this Offer regarding amounts to be withheld, any withholding exemption to be applied, or other resolution of this provision.

COMPLIANCE WITH FIRPTA. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement needed to comply with FIRPTA, including withholding forms. If withholding is required under IRC § 1445, and the net proceeds due Seller are not sufficient to satisfy the withholding required in this transaction, Seller shall deliver to Buyer, at closing, the additional funds necessary to satisfy the applicable withholding requirement. Seller also shall pay to Buyer an amount not to exceed $1,000 for actual costs associated with the filing and administration of forms, affidavits, and certificates necessary for FIRPTA withholding and any withholding agent fees.

Any representations made by Seller with respect to FIRPTA shall survive the closing and delivery of the deed.

Firms, Agents, and Title Companies are not responsible for determining FIRPTA status or whether any FIRPTA exemption applies. The Parties are advised to consult with their respective independent legal counsel and tax advisors regarding FIRPTA.

ADDITIONAL PROVISIONS/CONTINGENCIES

1) Buyer has been given a Certified Survey Map.

2) Lease addendum to be signed before closing stating Tenant pays for lawn cutting and snow plowing and removal.

3) Buyer to meet with tenant/manager Of Motion Industries to discuss strengths & faults of building within 7 working days. Buyer has 5 days after meeting to decide if offer should move forward or to make this offer null and void.

4) Buyer needs environmental inspection to determine wetlands restrictions & inspect culvert.

TAX DEFERRED EXCHANGE If this Property is purchased or sold to accomplish an IRC § 1031 Tax Deferred exchange of like-kind property, both Parties agree to cooperate with any documentation necessary to complete the exchange. The exchangor shall hold the cooperating party harmless from any and all claims, costs or liabilities that may be incurred as a result of the exchange.

DELIVERY OF DOCUMENTS AND WRITTEN NOTICES Unless otherwise stated in this Offer, delivery of documents and written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines 658-673.

(1) Personal: giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at 660 or 661.

Name of Seller's recipient for delivery, if any: ____________

Name of Buyer's recipient for delivery, if any: ____________

[ ] (2) Fax: fax transmission of the document or written notice to the following number:

Seller: (______) ____________ Buyer: (______) ____________

[ ] (3) Commercial: depositing the document or written notice, fees prepaid or charged to an account, with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address at line 669 or 670.

[ ] (4) U.S. Mail: depositing the document or written notice, postage prepaid, in the U.S. Mail, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address.

Address for Seller: ____________

Address for Buyer: ____________

[xx] (5) Email: electronically transmitting the document or written notice to the email address.

Email Address for Seller: karen@khocking.com

Email Address for Buyer: karen@khocking.com

PERSONAL DELIVERY/ACTUAL RECEIPT Personal delivery to, or Actual Receipt by, any named Buyer or Seller constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

[x] **ADDENDA:** The attached Seller Disclosure Report, CSM is/are made part of this Offer.

This Offer was drafted by [Licensee and Firm] Karen Hocking Realty LLC, Hocking Real Estate, LLC

Buyer Entity Name (if any): ____________

DocuSigned by:

(x) Jesse Wellhoefer 4/20/2023

Buyer's/Authorized Signature ▲ Print Name/Title Here ▶ Jesse Wellhoefer Date ▲

(x) ____________

Buyer's/Authorized Signature ▲ Print Name/Title Here ▶ Date ▲

SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

Seller Entity Name (if any): ____________

(x) ____________

Seller's/Authorized Signature ▲ Print Name/Title Here ▶ Date ▲

(x) ____________

Seller's/Authorized Signature ▲ Print Name/Title Here ▶ Date ▲

This Offer was presented to Seller by [Licensee and Firm] Karen Hocking Realty LLC, Hocking Real Estate,

____________ on 4/20/2023 at 4:45 PM a.m./p.m.

This Offer is rejected ______ ______ This Offer is countered [See attached counter] DS MB 4/20/2023

Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE	
Approving Sale of Assets (tangible personal property and/or fixtures) of Bull Falls Brewery, LLC, located at 836 and 900 East Thomas Street in TID #9, by auction Committee Action: Fiscal Impact:	
File Number:	**Date Introduced:** June 13, 2023

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☐ No ☐	*Amount:*	
	Recurring Costs:	Yes ☐ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*	
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, on November 13, 2012, the Common Council approved the City of Wausau ("CITY") entering into a Development Agreement with Bull Falls Brewery, LLC, ("Bull Falls") to expand its production operations as a local craft brewer; the City created Tax Incremental District #9 on September 26, 2012, pursuant to the provisions of Section 66.1105, Wis. Stats., to provide developer with a $200,000 Grant and a $400,000 Loan to acquire three properties, build a manufacturing addition, add a parking lot and renovate the tap room to add 5 FTE's, triple the commercial value of the property and eliminate blight in the neighborhood; and further, to provide $7,000 in utility relocation work; and

WHEREAS, on November 23, 2012, the CITY and Bull Falls executed a Development Agreement with supporting loan documentation, paragraph 4.I.ii. of which states that no property within the development properties be sold, transferred or conveyed unless Bull Falls provides CITY written notice of intent to transfer the property at least 30 days before the sale, transfer or conveyance is to occur, and the CITY has approved such sale or disposition in writing; and

WHEREAS, the Common Council, on August 11, 2015, authorized amendments to the development agreement, removing the requirements of audited financial statements and a guaranty of a minimum equalized value of $1.6 million and payment in lieu of this value if not met; Bull Falls will pay taxes on the assessed value from 2015 forward; and

WHEREAS, the Common Council, on January 24, 2017, authorized changes to extend the amortization of City financing by 60 months, from 10 years to 15 years, to facilitate their refinancing of existing debt and continued operations and future growth; and

WHEREAS, on May 24, 2023, the City received a request from Bull Falls to approve the sale of its brewery assets (tangible personal property and/or fixtures) by way of auction, the proceeds of which will be held in trust and distributed pursuant to priority of lien after the payment of ordinary and customary costs of the auction itself.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorizes the sale of the brewery assets, both personal property and fixtures, of Bull Falls Brewery, LLC, by auction, with the proceeds from such sales to be held in trust and distributed pursuant to the priority of lien after the payment of ordinary and customary costs of the auction itself.

Approved:

____

Katie Rosenberg, Mayor

PARTNERS:
CHARLES J. HERTEL
JOHN A. ST. PETER
PAUL W. ROSENFELDT
BRIAN D. HAMILL
MATTHEW PARMENTIER
HEATH G. MYNSBERGE
JESSICA E. SLAVIN

RETIRED:
TIMOTHY M. DEMPSEY
A.D.(DAN) EDGARTON
ROBERT V. EDGARTON
RONALD L. PETAK
TERRENCE J. BYRNE
RONALD P. HAMMER

DEMPSEYLAW

ASSOCIATES:
ELIZABETH A. HARTMAN
ALANA BUSCH-ELL
ALEX R. ACKERMAN
LEE D. TURONIE
NATHANIEL J. VERVELDE
JAMES D. MILLER
EVAN M. SEIBEL
SAMUEL J. S. MOHEBAN
CHUE N. XIONG

OF COUNSEL:
WILLIAM E. BUCHHOLZ
RYAN M. PLISCH
CHRISTOPHER J. PENZA
SAMUEL W. JACK

May 22, 2023

RECEIVED
MAY 24 2023
CITY ATTORNEY
WAUSAU, WI

VIA CERTIFIED MAIL
Toni Rayala, Clerk
Clerk's Office
407 Grant Street
Wausau, WI 54403

Heather Wessling, Assistant Director of Community Development
Community Development Department Office
407 Grant Street
Wausau, WI 54403

Re: **Bull Falls Brewery Development Project**
Development Agreement between the City of Wausau (the "City") and Bull Falls Brewery, LLC, Dated November 6, 2012 (the "Agreement")

Dear Clerk,

I represent Bull Falls Brewery, LLC ("Bull Falls"), in the above-referenced matter. Please direct all further communication regarding this matter to my attention. As you are no doubt aware, Bull Falls has been contending with financial difficulties for many years. While it continues to seek out options to remain operational and take care of its obligations to the City and others, they must simultaneously prepare for the possibility that remaining operational is impossible. As such, Bull Falls has retained an auctioneer who specializes in the sale of breweries to sell the assets of Bull Falls individually or together with the real estate in a turn-key fashion.

Section 4.I.ii of the Agreement provides that Bull Falls must provide the City written notice of its intent to transfer the property at least thirty (30) days before the sale, transfer, or conveyance is to occur and the City has approved of such sale or disposition in writing before it is to occur. I am writing today to seek your permission for the sale of the brewery assets (tangible personal property and/or fixtures) of Bull Falls via auction. All proceeds from such sales shall be held in trust (by the auction company or our firm) and shall be distributed pursuant to priority of lien after the payment of ordinary and customary costs of the auction itself.

At this juncture the real estate is also being offered for sale but will not be sold or otherwise transferred unless and until Bull Falls has complied with the provision of Section 4.I.ii. including the requirement to provide written evidence to the City that the buyer has agreed to be bound by the terms of the Agreement. We will contact you regarding the real estate if and when we have an offer on the same.

{07921409.DOCX.1}

If you have any questions or concerns regarding the foregoing, please advise. Thank you for your attention to this matter and your anticipated cooperation so that, if necessary, my client is able to complete the orderly sale of its assets for the benefit of its secured creditors.

Sincerely,

DEMPSEY LAW FIRM, LLP

Heath G. Mynsberge
hgm@dempseylaw.com

Cc: Client (via email)

Fond du Lac
10 Forest Avenue, Suite 200
Fond du Lac, WI 54935
920-922-0470

De Pere
2079 Lawrence Drive
De Pere, WI 54115
920-235-7300

Waupun
95 S Harris Avenue
Waupun, WI 53963
920-324-9736

Wausau
500 3rd Street, Suite 420,
Wausau, WI 54403
715-848-2966

Black River Falls
132 Main Street
Black River Falls, WI, 54615
715-670-0048

Oshkosh
210 N. Main Street, Suite 100
Oshkosh, WI 54901
920-235-7300

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403			
JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES			
Approving the Development Agreement between City of Wausau and Bull Falls Brewery to expand at their 901 East Thomas location by providing financial assistance to acquire three properties, build a 8352 square foot addition for canning (manufacturing), add a 23,000 square foot parking lot and to renovate approximately 550 square feet of the existing Bull Falls Brewery Tap room in order to add jobs, to approximately triple the existing commercial value of the property and to eliminate blight in the neighborhood.			
Committee Action:	ED Committee: Approved 5-0 Finance Committee : Approved 4-0		
Fiscal Impact:	$200,000 Grant and $400,000 Loan with interest payments to equal the amount of interest the City of Wausau obtains when borrowing the funds to lend the expansion and approximately $7,000 of utility relocation work.		
File Number:	12-1115	**Date Introduced:**	November 13, 2012

RESOLUTION

WHEREAS, it is in the best interest of the City of Wausau to assist and participate in job creation activities that aim to increase the economic benefits to the City of Wausau, both in terms of employment numbers, quality, benefits and to increase the value and quality of properties, especially in distressed neighborhoods; and

WHEREAS, assistance in the amount of $200,000 grant from the creation of Wausau's Tax Incremental District Number Nine in order to raise the equity to leverage the sources needed to complete the project and City grants are to be matched by owner funds 2:1 for equity into the local project totals up to $500,000;

WHEREAS, assistance in the amount of a $400,000 loan has been offered from the City of Wausau's Tax Incremental District Number Nine and the rate of borrowing will be equal to the rate the City obtains in borrowing with a two year payment deferral and ten year amortization to follow; and

WHEREAS, Funds from public sources shall be used to acquire the three properties 836, 900 and 906 East Thomas Street, prepare site, add an addition of up to 8,352 square feet and a new parking facility to be 23,400 square feet including landscaped amenities included in the site plan;

WHEREAS, Bull Falls Brewery commits to creating up to five (5) full time employees FTE's in this phase over the duration of two years and as outlined in the Development Agreement and to maintain its location for at least the duration of the Development Agreement, and

WHEREAS, Tax Incremental District Number Nine Cash Flow Statement projects a ten-year payback (attached).

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Wausau, as follows:

1. **EXECUTION OF AGREEMENT.** that the City approves the terms of the attached Development Agreement in substantially the same form as attached, with Bull Falls Brewery LLC including commitments for improvements at their expanded 901 East Thomas Street location and authorizes City staff to execute the Development Agreement.

2. **SPECIFIC AUTHORIZATION FOR UTILITY RELOCATION.** The Mayor and the proper City officials are hereby authorized and directed to take whatever action is necessary to relocated the utility infrastructure as outlined in the agreement.

3. **AUTHORIZATION OF FINANCING FOR PROJECT.** The Common Council authorizes for the City of Wausau shall take whatever action is necessary to effectuate any appropriate borrowing so as to provide sufficient funds for the City's obligations for the project, including promissory note, state trust fund and interim interfund borrowing.

4. **PAYMENT OF MONETARY OBLIGATIONS.** The Common Council of the City of Wausau authorizes staff to proceed with payment of monetary obligations as outlined within the development agreement.

5. **INTERIM REPORTING.** The Common Council of the City of Wausau directs city staff to monitor and report back in a reasonable time to the Finance and Economic Development Committees the progress of the expansion and as the terms of the Agreement become satisfied.

BE IT FURTHER RESOLVED, that the Common Council of the City of Wausau directs the CITY CLERK to mail a copy of the executed Development Agreement to the Joint Review Board members; and

BE IT FURTHER RESOLVED, that the Finance Director and proper City officials are here by authorized to modify the budget for Tax Increment District Number Nine Fund and publish the budget modification in the official newspaper as required.

REVENUE:		
147-349089120	Proceeds of Notes	$600,000
EXPENSE:		
147-349092210	Utility Work	$7,000
147-349092700	Developer Loan	$400,000
147-349092700	Developer Grant	$200,000
147-349093490	Other Operating Expenses	$1,000

Approved:

James E. Tipple

James E. Tipple, Mayor

12-1115

AGR # 1543

Development Agreement
Between the City of Wausau And Bull Falls Brewery

THIS AGREEMENT is made this 23 day of November 2012 by and between the City of Wausau, a municipal corporation of the State of Wisconsin, hereinafter referred to as "CITY," and Bull Falls Brewery, LLC, a Wisconsin limited liability company hereinafter referred to as "Bull **Falls Brewery**".

WITNESSETH:

WHEREAS, CITY is dedicated to improving neighborhoods by participating in public/private partnerships by investing in ventures that will increase commercial tax base, furnish employment positions with benefits, and help establish a local competitive advantage in the craft brew industry, which is an industry experiencing high growth trends in Wisconsin; and

WHEREAS, Bull Falls Brewery, one of Wausau's craft brewers, wishes to acquire property and expand its production operations (the "**Development Project**") on its existing property commonly known as 901 East Thomas Street, Wausau and certain additional adjoining properties (the "**Development Properties**"); and

WHEREAS, pursuant to the provisions of Section 66.1105, Wis. Stats., CITY created Tax Incremental District #9 on September 26, 2012 ("**TIF District**") with boundaries incorporating the Development Properties, as shown in the City of Wausau Tax Increment District Nine Project Plan ("**TIF Project Plan**"), which TIF Project Plan provides in part for the financing of certain public works and infrastructure and related aesthetics and contributions to the Development Project relating to the TIF District; and

WHEREAS, Bull Falls Brewery's growing presence will increase the economic benefits to the City of Wausau and to the State of Wisconsin in terms of tourism dollars, supply chain benefits to the region, and an increase in the demand for other tourist related amenities; and

WHEREAS, CITY staff and the members of the CITY Council have carefully considered how best to effectuate the redevelopment and improvement of the Development Properties, all in the public interest, which efforts have been reciprocated by and joined in by Bull Falls Brewery and its various agents and representatives; and

WHEREAS, CITY desires the Development Project to proceed for the reasons set forth above and ultimately to provide increased tax revenues for CITY and various taxing bodies authorized to levy taxes within the TIF District and CITY; and

WHEREAS, in order to induce Bull Falls Brewery to undertake the Development Project, CITY has agreed to pay for certain costs included in the TIF Project Plan through the use of existing municipal funds and/or the use of borrowed funds and to provide other assistance to Bull Falls Brewery as provided by this Agreement, all in accordance with the terms and conditions of this Agreement; and

WHEREAS, CITY and Bull Falls Brewery wish to set forth in this Agreement their respective commitments, understandings, rights and obligations in connection with the Development Project as more fully described herein; and

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

1. GENERAL PURPOSE

A. Incorporation of Proceedings and Exhibits. All motions adopted, approvals granted, minutes documenting such motions and approvals, and plans and specifications submitted in conjunction with any and all approvals as granted by CITY, including but not limited to adopted or approved plans or specifications on file with CITY, and further including but not limited to all exhibits as referenced herein, are incorporated by reference herein and are deemed to be the contractual obligation of Bull Falls Brewery whether or not herein enumerated.

B. Implementation Schedule and Time of the Essence. All phases and schedules which are the subject of approvals, or as set forth herein, shall be governed by the principle that time is of the essence, and modification or deviation from such schedules shall occur only upon approval of CITY, or agent of the same having appropriate jurisdictional authority.

C. Implementation Schedule and Time of the Essence. All phases and schedules which are the subject of approvals, or as set forth herein, shall be governed by the principle that time is of the essence, and modification or deviation from such schedules shall occur only upon approval of CITY, or agent of the same having appropriate jurisdictional authority.

D. Entire Agreement. This writing including all Exhibits and Schedules hereto, and the other documents and agreements referenced herein, constitutes the entire Agreement between the parties hereto in respect to the Development Project and all prior letters of intent or offers, if any, are hereby terminated. However, this Agreement shall be deemed and read to include and incorporate such minutes, approvals, plans, and specifications, as referenced in this Agreement, and in the event of a conflict between this Agreement and any action of CITY, granting approvals or conditions attendant with such approval, the specific action of CITY shall be deemed controlling.

E. Land Affected. The parties acknowledge that the development Project will encompass and/or affect the following real property, all of which will be within the boundaries of the TIF District: the Development Properties and certain public streets and rights-of-way serving the Development Properties.

F. Purpose of the Agreement. In order to cause the development Project to occur and to induce Bull Falls Brewery to undertake the Development Project, to eliminate blighted conditions on the Development Properties, promote community development, industry and job creation and to expand and enhance the tax base within the CITY, CITY intends to undertake certain project costs and public improvements necessary for the Development Project, all as set forth in this Agreement. CITY intends to recover certain of its costs through payments received under this Agreement including increased tax revenues generated by the Development Properties. The parties intend to enter into this Agreement to record the understandings and undertakings of the parties and to provide a framework within which the Development Project may proceed.

2. BULL FALL'S BREWERY PROJECT DESCRIPTION

A. Acquisition of real property commonly known as 836, 900 and 906 East Thomas street; combination of these parcels with other parcels including vacated rights of way and an alleyway to create a site consisting of approximately 1.72 acres, with a general boundary description as set forth in Exhibit A, attached hereto and incorporated herein by reference.

B. Design, development and construction of an addition to the current building located at 901 East Thomas Street (the "**Existing Building**") consisting of approximately 8,052 square feet of production facility and a new 23,400 square foot parking area consisting with landscape features in accordance with the CITY approved site plan attached hereto as Exhibit B, and incorporated herein by reference;

C. Renovation of the existing Bull Falls Brewery tap room in the existing building which is 550 square feet, and currently occupied by the existing brew system is transitioning to a retail tap room. This renovation will permit wrapping the granite bar around into the new space providing additional bar seating and table seating. The tap room completion is committed for renovation after the new brewery is determined to be operational.

3. OBLIGATIONS OF CITY

A. Bull Falls Brewery Incentive Grant – Property Acquisition. Bull Falls Brewery proposes to acquire real property commonly known as 836 and 900 East Thomas Street (having already acquired 906). As an incentive to Bull Falls Brewery to undertake the redevelopment of the Development Properties through the construction of the Development Project, if Bull Falls Brewery enters into binding agreements to acquire such parcels, CITY agrees to make a payment on behalf of Bull Falls Brewery in an amount up to $100,000 to pay on behalf of or reimburse Bull Falls Brewery for costs of the acquisition of such parcels (the "**Property Acquisition Grant**"); provided, however, that such payment shall only be made upon satisfaction of all of the conditions set forth in Section 5 hereof.

B. Bull Falls Brewery Incentive Grant – Site Demolition and Preparation. Bull Falls Brewery proposes to demolish existing structures on the Development Properties deemed blighted by CITY and prepare these sites for the construction of the expanded production facilities and parking. As an incentive to Bull Falls

Brewery to undertake the redevelopment of the Development Properties through the construction of the Development Project, if Bull Falls Brewery enters into binding agreements to demolish existing structures on the Development Properties and prepare these sites for construction, CITY agrees to make one or more payments on behalf of Bull Falls Brewery up to a total aggregate in an amount of $100,000 to pay on behalf of or reimburse Bull Falls Brewery for costs of such demolition and site preparation (the "**Site Prep Grant**"); provided, however, that such payment shall only be made upon satisfaction of all of the conditions set forth in Section 5 hereof.

C. <u>Project Loan</u>. Bull Falls Brewery proposes to undertake the design and construction of an approximately 8,352 square foot production facility addition to its Existing Building and to construct a new 23,400 square foot parking area with landscape features adjoining this facility. As an incentive to Bull Falls Brewery to undertake this work, CITY agrees to make available one or more loans Bull Falls Brewery on terms and conditions satisfactory to the CITY in all respects (the "**Loan**"), which will contain following principal terms:

i. Loan Amount: $400,000.00;
ii. Interest Rate: rate equivalent to rate charged CITY to obtain a $400,000.00 TIF financed loan;
iii. So long as Bull Falls Brewery is not in default under the terms of this Agreement, the loan, or under any obligations owed to the CITY or any third party lender, no repayment will be required until the earlier to occur of the second anniversary of the making of the loan or January 1, 2015;
iv. Repayment of the principal and interest will be amortized over a period of ten years (an example cash flow statement is attached hereto as <u>Exhibit C</u>, and incorporated herein by reference solely for informational purposes to show the anticipated repayment of this loan);
v. Repayment of the Loan will be secured by a mortgage on the Development Properties in a form satisfactory to the CITY in all respects;
vi. Repayment of the Loan will be secured by the unlimited and unconditional personal guaranty of each of Donald Zamzow and Michael Zamzow in a form satisfactory to the CITY in all respects;
vii. Repayment of the Loan will be secured by a collateral pledge of life insurance on the life of Michael Zamzow issued by a life insurance company and in amounts satisfactory to CITY in all respects;
viii. Bull Falls Brewery shall, no later than May 1 of each calendar year while any obligations are owed to CITY hereunder or under the Loan, submit to CITY annual reviewed financial statements prepared in accordance with generally accepted accounting principles, and otherwise acceptable to CITY, and within 30 days following each calendar quarter during this term compiled financial statements for the prior quarter.

provided, however, that this loan shall only be made upon satisfaction of all of the conditions set forth in this Agreement.

D. CITY UTILITY WORK. On or before _December 1, 2012, CITY will Relocate a sanitary sewer manhole; water hydrant and upgrade approximately 30 feet of water main for in kind commitment value of approximately $7,000.00.

E. Terminology. The Property Acquisition Grant, Site Prep Grant, and Loan shall sometimes be referred to herein as the "**CITY Financing**".

4. OBLIGATIONS OF BULL FALLS BREWERY.

A. Undertake the Development Project. Bull Falls Brewery agrees to redevelop and improve the Development Properties through undertaking the Development Project, all in accordance with the TIF Project Plan, the Project Cost Breakdown set forth in Exhibit D, attached hereto and incorporated herein by reference (the "**Project Cost Breakdown**") and the Schedule set forth in Exhibit E, attached hereto and incorporated herein by reference (the "**Schedule**"). CITY, in its sole and absolute discretion, may agree to variations from the TIF Project Plan or the Schedule requested in writing by Bull Falls Brewery.

B. Construction Schedule. Bull Falls Brewery agrees to commence or cause other entities to commence construction on each of the components of the Development Project by March 1, 2013 and to complete construction of each of the components of the Development Project, such completion to be evidenced by the issuance of a temporary occupancy permit or certificate of occupancy by CITY, by August 1, 2013 all in accordance with the Schedule.

C. Guaranty of Minimum Construction Costs. Bull Falls Brewery agrees that the Development Project will have an aggregate minimum construction cost of $650,000.

D. Guaranty of Minimum Equalized Value; Payment of Payment-in-Lieu-of-Taxes. Bull Falls Brewery hereby guarantees to CITY that as of January 1, 2014, and each January 1 thereafter during the term of this Agreement and while any amount remains due and owing pursuant to the Loan, the equalized value of the Development Properties for real estate tax purposes shall equal or exceed $1,600,000.00. In the event that the Development Properties in any year do not have such a value, the Bull Falls Brewery agrees to make to CITY a payment-in-lieu-of-taxes equal to the difference between the amount of taxes which would have been levied on the Development Properties for said year by CITY and all other taxing jurisdictions if the Development Properties had had an equalized value for real estate tax purposes of $1,600,000.00 and the actual amount of taxes levied on the Development Properties for said year by CITY and all other taxing jurisdictions. Said payment-in-lieu-of taxes shall be due and payable in full to CITY on January 31 of the following calendar year.

E. Rights of Access. Bull Falls Brewery shall permit the representatives of CITY to have access to the Development Project at all reasonable times during and following the construction when CITY deems access necessary to ensure compliance with the terms and conditions of this Agreement including, but not limited to, access for inspection of all work being performed in connection with the Development Project as set forth in the TIF Project Plan. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided in this Agreement.

F. Compliance with Planning and Zoning. The Bull Falls Brewery at its own expense shall obtain all approvals, permits and licenses as may be required by any governmental or non-governmental entity in connection with the Development Project. Any conditions imposed on Bull Falls Brewery to obtain any approval, permit or license must be acceptable to CITY. Bull Falls Brewery will not initiate, approve, consent to or participate in any change in or modification of the zoning in effect for the Development Properties or any portion thereof, without CITY's prior written consent.

G. Maintenance and Repair. Bull Falls Brewery agrees that at all times after construction of the Development Project, it will keep and maintain the Development Properties and the Development Project in good condition and repair.

H. Taxes. Bull Falls Brewery will pay when due all federal, state and local taxes in connection with the Development Properties and all operating expenses in connection with the Development Properties and Development Project.

I. Additional Ownership Restrictions.

i. Use. No property within the Development Properties shall be used for any use other than as set forth in the TIF Development Plan and as approved by CITY including any conditions attendant with such approval, unless such use is further approved by CITY under its normal zoning, review and approval procedures. Disapproval by CITY shall be final notwithstanding whether such use would be permitted by the plan commission or provisions of the zoning code for the zoning district in which the Development Properties are situated.

ii. Ownership or Sale. No property within the Development Properties may be sold, transferred, or otherwise conveyed unless the Bull Falls Brewery first provides to CITY written notice of intent to transfer the property at least 30 days before the sale, transfer or conveyance is to occur and CITY has approved such sale or disposition in writing. No property within the Development Properties may be sold, transferred or conveyed to, or leased or owned by any entity or used in any manner which would render any part of the Development Properties exempt from property taxation. A first right of refusal shall be offered to the CITY before any assignee or purchaser or transferee of any portion of the Development Properties shall be bound by the terms and conditions of this Agreement, and the Bull Falls Brewery shall not sell or transfer any portion of the Development Properties to any entity unless and until the Bull Falls Brewery has provided CITY with written evidence satisfactory to the CITY attorney that such assignee or entity has agreed in writing to be bound by the terms of this Agreement. Any such sale, transfer or conveyance of any portions of the Development Properties shall not relieve the Bull Falls Brewery of its obligations hereunder.

J. Insurance. During the term of this Agreement, Bull Falls Brewery shall maintain, insurance in such amounts and against such risks both generally and specifically with respect to the Development Properties, as are customarily insured against in developments of like size, kind and character, including customary builders risk insurance during construction and customary casualty, property and liability insurance, with deductibles approved by CITY. Bull Falls Brewery shall provide to CITY certificates of all such insurance. So long as this Agreement is in effect, Bull Falls Brewery covenants to apply any and all insurance proceeds to rebuild and maintain the Development Properties.

K. Indemnity. Bull Falls Brewery shall indemnify and hold harmless CITY from any liability, including but not limited to remediation required by any federal or state agency having jurisdiction, relating to or in any way arising from the development of the Development Properties.

5. CONDITIONS TO CITY'S OBLIGATIONS

CITY'S obligations under this Agreement are conditioned upon the following:

A. Bull Falls Brewery will have obtained by January 1, 2013 binding unconditional commitments for the total financing in the amount of $2,000,000.00, for the acquisition, demolition, preparation and construction of the Development Project, including the construction of the parking lot and landscape features satisfactory to and approved by the CITY, which commitments must include a commitment to Bull Falls Brewery of at least $500,000.00 of equity which may be composed of the $200,000.00 grants from CITY, and at least $150,000 and up to $300,000.00 from other sources including existing equity, new equity, investor (distributor) line of credit and subordinated debt, and with the balance of the cost of the Development Project coming from the Loan and third party debt financing;

B. Bull Falls Brewery shall have executed and delivered to CITY evidence satisfactory to CITY in all respects that the obligations under this Agreement and the Loan (as required under Section 3.C.), have been duly authorized and are binding upon Bull Falls Brewery.

C. Bull Falls Brewery shall not be in violation of any of its governing documents or other contracts. Bull Falls Brewery shall not be in material default under the terms of any other agreement or instrument to which Bull Falls Brewery is a party or an obligor.

D. Bull Falls Brewery shall have provided to CITY the plans and specifications for the Development Project. Bull Falls Brewery understands that CITY shall not be required to approve the Master Plan, even though the plans and specifications must comply with all laws, rules, regulations, and ordinances.

E. Bull Falls Brewery shall have provided to CITY a certified survey map consolidating the Development Properties into a single parcel and be otherwise acceptable to CITY.

F. Bull Falls Brewery shall have delivered to CITY certificates of all insurance required under this Agreement showing CITY as a named insured.

G. Bull Falls Brewery shall have provided audited in year two of operations which would be by August 1, 2015 and then in year five of operations which will be August 1, 2018 and reviewed financial statements annually for Bull Falls Brewery and each of its members and the guarantors of the Loan. The financial statements must show a state of facts acceptable to CITY.

H. Bull Falls Brewery shall have at its expense obtained all necessary approvals and permits necessary to undertake the Development Project on the Development Properties, including but not limited to, site plan review, zoning approvals, and any other local, state or federal approvals or permits.

If all conditions contained in this Section are satisfied or if CITY waives in writing said conditions on or before January 1, 2014, then the above conditions shall be deemed satisfied. Otherwise, CITY, at its option, in its absolute and sole discretion, may at any time thereafter terminate this Agreement by giving notice in writing thereof to Bull Falls Brewery. In such event, this Agreement shall be terminated and no party shall have any further liability or obligation to any other party.

6. BULL FALLS BREWERY'S EMPLOYMENT RELATED ONGOING OBLIGATIONS

A. Bull Falls Brewery must submit upon the execution thereof to Community Development Department staff of the CITY certified copies of all agreements for and evidence of invoices paid for the construction of the manufacturing facility, parking lot, and landscaping improvements to meet the eligibility requirements of the grant and as outlined in this Agreement.

B. Bull Falls Brewery shall upon request submit certified evidence satisfactory to CITY in all respects of the expenses incurred for acquisition, demolition, preparation and construction of the Development Project with copies of receipts that were incurred in the expansion for purposes of monitoring the Terms of this Agreement.

C. Bull Falls Brewery must submit employment requirements to CITY's Community Development Department Staff once Bull Falls Brewery reaches five (5) Full-Time Employees (FTE's) based and employed at 901 East Thomas Street location. Bull Falls Brewery shall at that time submit names, addresses, and positions of current employees and positions working and based in Wausau, Wisconsin.

D. CITY's Community Development Department requires documentation of any employees Bull Falls Brewery hires that carry veteran status and/or were formally unemployed and/or did not receive health care benefits prior to working for Bull Falls Brewery for federal regulation requirements. This evidence shall be submitted to CITY at the time of hiring and shall include a completed Employee Verification Form in the form attached hereto as Exhibit F.

E. Bull Falls Brewery must remain operating at the 901 East Thomas Street location for a minimum period of five years following the making of the Loan, employing not less than five (5) FTE's at the Wausau, WI location by December 1, 2017.

7. REPRESENTATIONS AND WARRANTIES OF BULL FALLS BREWERY

Bull Falls Brewery represents and warrants to and covenants with CITY as follows:

A. All copies of financial statements, documents, contracts and agreements which Bull Falls Brewery has furnished to CITY or its agents are true and correct. There has been no material change in the business operations of Bull Falls Brewery since the date of the last financial statement furnished to CITY except pursuant to the conduct of its ordinary business.

B. Bull Falls Brewery has paid, and will pay when due, all federal, state and local taxes, and will promptly prepare and file returns for accrued taxes.

C. Bull Falls Brewery covenants that the Development Properties, upon completion of the Development Project, will conform and comply in all respects with applicable zoning and land division laws, rules, regulations and ordinances.

D. All work performed or materials furnished for the Development Project, other than the Public Improvements, will be fully paid for by Bull Falls Brewery.

E. No statement of fact by Bull Falls Brewery contained in this Agreement and no statement of fact furnished or to be furnished by Bull Falls Brewery to CITY pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

F. Bull Falls Brewery is a limited liability company duly formed and validly existing and in good standing under the laws of the State of Wisconsin and has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business. Bull Falls Brewery is duly licensed or qualified to do business and in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition.

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

H. The execution, delivery, and performance of Bull Falls Brewery's obligations pursuant to this Agreement will not violate or conflict with Bull Falls Brewery's Articles of Organization or Operating Agreement or any indenture, instrument or material agreement by which Bull Falls Brewery is bound, nor will the execution, delivery, or performance of Bull Falls Brewery's obligations pursuant to this Agreement violate or conflict with any law applicable to Bull Falls Brewery.

I. There is no litigation or proceeding pending or threatened against or affecting Bull Falls Brewery or the Development Project or any guarantor that would adversely affect the Development Project, Bull Falls Brewery or any guarantor or the priority or enforceability of this Agreement, the ability of Bull Falls Brewery to complete the Development Project or the ability of Bull Falls Brewery to perform its obligations under this Agreement.

J. The Project Cost Breakdown accurately reflects all costs of the Development Project (other than costs associated with the Public Improvements) that will be incurred by Bull Falls Brewery in the completion and construction of the Development Project, and CITY shall be entitled to rely on the Project Cost Breakdown submitted by Bull Falls Brewery. Bull Falls Brewery knows of no circumstances presently existing or reasonably likely to occur which would or could result in a material adverse variation or deviation from the Project Cost Breakdown.

K. No default, or event which with the giving of notice or lapse of time or both would be a default, exists under this Agreement, and Bull Falls Brewery is not in default (beyond any applicable period of grace) of any of its obligations under any other material agreement or instrument to which Bull Falls Brewery is a party or an obligor.

L. Bull Falls Brewery covenants the Development Project, when completed, will conform and comply in all respects with all applicable laws, rules, regulations and ordinances, including without limitation, all building codes and ordinances of CITY. Bull Falls Brewery will comply with, and will cause the Development Project to be in compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all environmental laws, rules, regulations and ordinances.

M. Bull Falls Brewery will permit CITY to inspect such information respecting the business, assets and financial condition of the Development Project as CITY may reasonably request. CITY will permit Bull Falls Brewery to inspect all records CITY maintains in connection with the TIF District.

N. Except in the ordinary course of business and except for funds borrowed to provide the financing approved by CITY for construction of the Development Project, Bull Falls Brewery shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any indebtedness. "Indebtedness" shall mean any liability or obligation of Bull Falls Brewery: (i) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business); (ii) as lessee under leases that have been or should be capitalized according to generally accepted accounting principles; (iii) evidenced by notes, bonds, debentures or similar obligations; (iv) under any guaranty or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any entity, or otherwise assure a creditor against loss; or (v) secured by any security interest or lien on assets of Bull Falls Brewery, whether or not the obligations secured have been assumed by Bull Falls Brewery.

8. MISCELLANEOUS

A. Notices. All notices must be in writing and must be sent by certified mail (postage prepaid) or by an independent overnight courier service, addressed to the addresses specified below:

Co-owner: Donald Zamzow
Co-owner: Michael Zamzow
Address: 901 East Thomas Street
Wausau, WI 54403

City: Toni Rayala, Clerk
Clerk's Office
407 Grant Street, Wausau, WI 54403

Copy to: Heather Wessling, Assistant Director of Community Development
Community Development Department Office
407 Grant Street, Wausau, WI 54403

Notices given by mail are deemed delivered within (3) three business days after the party sending the notice deposits the notice in the United States Post Office. Notices delivered by courier are deemed delivered on the next business day after the party delivering the notice timely deposits the Notice with the courier for overnight (next day) delivery.

B. Relationship of Parties. This Agreement does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between CITY and Bull Falls Brewery.

C. Applicable Law and Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin governing agreements made and fully performed in Wisconsin. If any provision of this Agreement, or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable the remainder of this Agreement or the application of such provision, or portion thereof, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any covenant, condition, provision, term or agreement of this Agreement is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms, and agreements of this Agreement will not be affected by such holding, and will remain valid and in force to the fullest extent by law.

D. Amendments to Agreement. This Agreement may not be changed orally, but only by Agreement in writing and signed by the parties hereto.

E. Time is of the Essence. Time is of the essence with respect to the performance of every provision of this Agreement in which time of performance is a factor.

F. Binding Effect; Assignment; Notice of Assignment. This Agreement shall be binding upon and shall inure to the benefit of, and be enforceable by, the Parties and their permitted successors and assigns. Bull Falls Brewery shall have the right to assign this agreement and the rights hereunder to any entity controlled by or any third party. Bull Falls Brewery agrees to notify City 30 days before assignment for consent, which consent shall not be reasonably withheld for assignment to any successors and assigns.

G. Addition Financing Arrangements. CITY will recommend consideration of a Community Development Block Grant (CDBG) loan up to Two Hundred Thousand Dollars ($200,000.00) through Marathon County Economic Development Corporation (MCDEVCO).

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute and deliver this Agreement as of the date first set forth above.

Bull Falls Brewery LLC

By: ____________________
Donald Zamzow

By: ____________________
Michael Zamzow

CITY OF WAUSAU

By: ____________________
James E. Tipple, Mayor

Attest: ____________________
Toni Rayala, Clerk

Heather Wessling,
Assistant Director Community Development
City of Wausau
DRAFT: Bull Falls Brewery/November 1, 2012
Revised: November 6, 2012

EXHIBIT A

Part of A. Warren's South Addition to Wausau, and part of Dunbar and Brown's South Addition to the City of Wausau, Section 36, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the Southwest corner of Lot 13, Block 2, said A. Warren's South Addition to Wausau, the point of beginning;

Thence North, along the West line of said Lot 13 and along said West line extended Northerly, to a line 6 feet Northerly of and parallel with the North line of Lots 13, 12, and 11, said Block 2; thence East, along said parallel line and along said parallel line extended East, to the Westerly line of the Chicago, Milwaukee and St. Paul Railway right-of-way as shown on said A. Warren's South Addition to Wausau; thence Southerly, along said Westerly line, to the South line of Block 1, said Dunbar and Brown's South Addition to the City of Wausau, extended Easterly; thence West, along said South line extended Easterly and along said South line of Block 1, to a line 20 feet Easterly of and parallel with the East line of Lots 16 and 12, said Block 1; thence North, along said parallel line, to the North line of said Block 1; thence West, along said North line, to a line 10 feet Westerly of and parallel with the East line of Lot 11, said Block 1; thence North, along said parallel line extended Northerly, to the South line of said Block 2, A. Warren's South Addition to Wausau; thence West, along said South line, to said Southwest corner of Lot 13, Block 2, the point of beginning.

12-1115

AGR #1543

EVERGREEN
CIVIL ENGINEERING LLC
2408 EVERGREEN ROAD
WAUSAU, WI 54403
(715) 370-5540

Bull Falls Brewery Addition

Engineer's Estimate of Site Work Construction Cost

10/30/2012

Item	Quantity	Units	Estimated Unit Cost	Cost
Inlet Erosion Protection, Type B	3	Each	150	$450
Inlet Erosion Protection, Type C	5	Each	$150	$750
Filter Bag Ditch Check	1	Each	$200	$200
Silt Fence	290	Feet	$3	$870
Building Demolition	3	Each		$0
Tree Removals	19	Each	$250	$4,750
Fence Removals	540	Feet	$1	$540
PCC Sidewalk, C&G; Driveway Removals	1333	SF	$2	$2,666
Asphalt Pavement Removals	13195	SF	$0	$3,299
Hydrant removal	1	Each	$500	$500
Water main removal	36	Feet	$5	$180
Water Valve Removal	1	Each	$100	$100
6" Water main installed	20	Feet	$45	$900
Hydrant Installed	1	Each	$1,500	$1,500
6" Gate Valves Installed	2	Each	$400	$800
Reconnect existing BFB Service	1	Each	$500	$500
Remove San MH	1	Each	$300	$300
New Sanitary MH	1	Each	$2,000	$2,000
Remove Storm MH	1	Each	$200	$200
Remove Storm Inlet	3	Each	$200	$600
Remove Storm Sewer Pipe	115	Feet	$10	$1,150
New Sorm Sewer MH	2	Each	$1,500	$3,000
New 2'x3' Storm Inlet	2	Each	$1,200	$2,400
8" Dia Storm Sewer	53	Feet	$35	$1,855
12" Dia storm sewer	256	Feet	$40	$10,240
Earth Excavation	500	CY	$10	$5,000
Fill Placement Under Building	450	CY	$8	$3,600
Aggregate Base Course - 8"	588	CY	$15	$8,820
Asphalt Pavement - 3"	364	Tons	$75	$27,300
PCC Sidewalk	24	SY	$45	$1,080
PCC Pavement 5.5"	169	SY	$50	$8,450
Aggregate Surface	70	CY	$15	$1,050
Curb & Gutter - 6.18	593	Feet	$12	$7,116
Curb & Gutter Reject - 6.18	103	Feet	$13	$1,339
Curb & Gutter Depressed - 6.18	56	Feet	$13	$728
Pavemement Markings	1100	Feet	$2	$2,200
New Trees	7	Each	$450	$3,150
New Shrubs	17	Each	$250	$4,250
Wood Mulch	170	SY	$8	$1,360
Topsoil, Seed, Emat	404	SY	$5	$2,020
Landscape Edging	25	Feet	$5	$125
6-Ft Wood Screening Fence	277	Feet	$15	$4,155
Gas Utility relocation		LSUM		$0
Electric Utility Relocation		LSUM		$0
Telephone Utility Relocation		LSUM		$0
TOTAL				$121,493

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE

Authorizing execution of an amendment to the Development Agreement with Bull Falls Brewery signed November 23, 2012 (AGR #5143) to provide developer incentives located at 836 and 900 East Thomas Street in TID #9.

RECEIVED
AUG 17 2015
Community Development Dept.
City of Wausau

Committee Action: Approved 5-0

Fiscal Impact

File Number: 12-1115 | **Date Introduced:** August 11, 2015

	FISCAL IMPACT SUMMARY			
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☒ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☒ No ☐	*Amount:*	
	Recurring Costs:	Yes ☒ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☒ No ☐	*Amount:*	
	TID Source: Increment Revenue ☒ *Debt* ☒ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, as noted in the original authorizing Resolution, File 12-1115, it is in the best interest of the City of Wausau to assist and participate in job creation activities that aim to increase the economic benefits to the City of Wausau, both in terms of employment numbers, quality, benefits and to increase the value and quality of properties, especially in distressed neighborhoods; and

WHEREAS, assistance in the amount of $200,000 grant and a $400,000 loan has been offered from the City of Wausau's Tax Incremental District Number Nine and has facilitated the major expansion of the Bulls Falls Brewery which continues to expand; and

WHEREAS, continued growth of Bulls Falls Brewery highlights certain provisions of the original Development Agreement which are not outdated or have either changed or are not possible to be completed,

WHEREAS, Bull Falls Brewery requested the following changes be made to their existing Development Agreement which has been reviewed by both the Economic Development and Finance Committees;

NOW THEREFORE BE IT RESOLVED, that the City approves the following changes to the existing Development Agreement:

Remove Section 5(G) which required audited financial statements be submitted to the City. This requirement is not a standard of the City's Development Agreement process and an audit is an unnecessary expense for the Applicant and not useful to the City.

Remove Section 4(D) which required a guaranty minimum equalized value of $1.6 million and payment in lieu of this value if not met. Bull Falls Brewery will pay taxes based on the assessed value for tax year 2015 forward with no minimum or maximum and any previous interest charges on the 2014 payment in lieu be waived.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to execute an amendment to the Development Agreement in substantial compliance with these provisions between Bull Falls Brewery and the City.

Approved:

James E. Tipple

James E. Tipple, Mayor

FIRST AMENDMENT TO LOAN DOCUMENTS
AND
FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
(Bull Falls Brewery)

THIS FIRST AMENDMENT TO LOAN DOCUMENTS AND FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this "Amendment") is made effective as of the 1st day of March, 2017 (the "Effective Date"), by and among BULL FALLS BREWERY, LLC, a Wisconsin limited liability company ("Borrower" and "Developer"), the CITY OF WAUSAU, a Wisconsin municipal corporation ("Lender" and the "City"), MICHAEL D. ZAMZOW, an individual ("M. Zamzow"), DONALD D. ZAMZOW, an individual ("D. Zamzow") and BULL FALLS PROPERTIES, LLC, a Wisconsin limited liability company ("Property Owner") (M. Zamzow, D. Zamzow and Property Owner hereinafter referred to, collectively, as the "Guarantors").

RECITALS

WHEREAS, on February 26, 2013, Borrower borrowed from Lender $400,000.00 (the "Loan");

WHEREAS, the Loan is governed, evidenced and secured by various documents dated February 26, 2013, including a certain Loan and Construction Agreement (the "Loan Agreement") between Borrower and Lender, a promissory note from Borrower, guaranties from each of the Guarantors, a mortgage from Property Owner and other documents described in or delivered pursuant to the Loan Agreement (collectively, the "Loan Documents");

WHEREAS, the Loan was granted in connection with a certain Development Agreement between the City and Developer dated November 23, 2012 (the "Development Agreement"); and

WHEREAS, the parties hereto now desire to amend certain terms of the Loan Documents and certain terms of the Development Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and other valuable consideration, effective as of the Effective Date, the parties hereto agree as follows:

1. **Definitions**. Capitalized terms which are not otherwise defined herein shall be deemed to have the same meanings herein as are ascribed to such terms in the Loan Agreement.

2. **Amendments to the Loan Agreement.**

   a. The "Note" as referenced in the Loan Agreement shall mean the Note, as amended hereby, and as may be amended, restated or otherwise modified from time to time.

   b. Section 29 of the Loan Agreement is hereby deleted in its entirety.

3. **Amendments to the Note**.

   a. The interest rate of the Loan is 2.36% per annum; provided however, that the Loan shall be subject to default interest as set forth in the Note upon the occurrence of an Event of Default.

   b. As of the Effective Date, the outstanding principal balance of the Loan is $328,220.57.

c. The maturity date of the Note is changed to December 1, 2029, which may be accelerated upon the occurrence of an Event of Default, at which time all outstanding principal and interest shall be immediately due and payable.

d. Commencing on April 1, 2017, Borrower shall make equal monthly payments of principal and interest in the amount of $2,167.24 until the Loan is paid in full or the maturity date of the Note, whichever occurs first.

4. <u>Amendment to the Development Agreement</u>.

a. The Project Loan reference in the Development Agreement shall mean the Loan, as modified by this Agreement and as may be further amended from time to time.

b. Section 4.D of the Development Agreement is hereby deleted in its entirety. Such payment-in-lieu of taxes apply only to the assessment as of January 1, 2014. Accordingly, all payment-in-lieu of taxes for the assessment as of January 1, 2015, January 1, 2016 and January 1, 2017 are hereby waived by the City. Further, the City acknowledges payment in full for the payment-in-lieu of taxes for the assessment as of January 1, 2014 and any interest charges attributable thereto are hereby waived by the City.

c. Section 5.G of the Development Agreement is hereby deleted in its entirety. All Developer defaults under the Development Agreement for failure to comply with such section prior to the Effective Date are hereby waived by the City.

5. <u>Consent of Guarantors</u>. The Guarantors hereby consent to the amendments to the Loan Documents and the Development Agreement as set forth in this Amendment.

6. <u>Reaffirmation of Loan Documents and the Development Agreement.</u> The Loan Documents and the Development Agreement, all as modified by this Amendment, remain in full force and effect, and all terms of the Loan Documents and the Development Agreement, all as modified hereby are hereby ratified and reaffirmed. The provisions of the Loan Documents and the Development Agreement not affected by this Amendment remain in full force and effect.

7. <u>Representations and Warranties of Borrower and Guarantors</u>.

a. Borrower hereby represents and warrants to Lender that: (i) after giving effect to this Amendment, all of the representations and warranties made by Borrower in the Loan Documents are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under the Loan Documents has occurred and is continuing as of the Effective Date of this Amendment; (ii) the making, execution and delivery of this Amendment, and performance of and compliance with the terms of the Loan Documents, as amended, have been duly authorized by all corporate action by Borrower; and (iii) this Amendment is the valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms.

b. Property Owner hereby represents and warrants to Lender that: (i) after giving effect to this Amendment, all of the representations and warranties made by Property Owner in the guaranty of the Loan from Property Owner and in the Mortgage are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under such guaranty or the Mortgage has occurred and is continuing as of the Effective Date of this Amendment; (ii) the making, execution and delivery of this Amendment, and performance of and compliance with the terms of the guaranty and the Mortgage as amended, have been duly authorized by all corporate action by Property

Owner; and (iii) this Amendment is the valid and binding obligation of Property Owner, enforceable against Property Owner in accordance with its terms.

c. M. Zamzow hereby represents and warrants to Lender that: (i) after giving effect to this Amendment, all of the representations and warranties made by M. Zamzow in the guaranty of the Loan from M. Zamzow are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under such guaranty has occurred and is continuing as of the Effective Date of this Amendment; and (ii) this Amendment is the valid and binding obligation of M. Zamzow, enforceable against M. Zamzow in accordance with its terms.

d. D. Zamzow hereby represents and warrants to Lender that: (i) after giving effect to this Amendment, all of the representations and warranties made by D. Zamzow in the guaranty of the Loan from D. Zamzow are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under such guaranty has occurred and is continuing as of the Effective Date of this Amendment; and (ii) this Amendment is the valid and binding obligation of D. Zamzow, enforceable against D. Zamzow in accordance with its terms.

8. Miscellaneous.

a. Except as expressly provided in this Amendment, the Loan Documents and the Development Agreement shall remain in full force and effect. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the Loan Documents or the Development Agreement or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of Borrower or the Guarantors that would require the waiver or consent of Lender.

b. References in the Loan Documents to the Loan Agreement shall be deemed to be references to the Loan Agreement as amended hereby, as it may be amended, amended and restated, modified or supplemented from time to time.

c. This Amendment shall be governed by, and construed and interpreted in accordance with, the laws of the State of Wisconsin.

d. This Amendment may be executed in several counterparts (including facsimile or .pdf counterparts), each of which shall be deemed an original, but such counterparts shall together constitute but one and the same agreement. Delivery of an executed counterpart of this Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Amendment.

e. Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date first written above.

BORROWER/DEVELOPER:

BULL FALLS BREWERY, LLC

By: ____________________
Donald Zamzow, Member

By: ____________________
Michael Zamzow, Member

PROPERTY OWNER:

BULL FALLS PROPERTIES, LLC

By: ____________________
Donald Zamzow, Member

By: ____________________
Michael Zamzow, Member

M. ZAMZOW:

____
MICHAEL ZAMZOW, Individually

D. ZAMZOW:

____
DONALD ZAMZOW, Individually

<u>LENDER/CITY</u>:

THE CITY OF WAUSAU, WISCONSIN

By: Robert B Mielke
Robert B. Mielke, Mayor

Attest:

By: Toni Rayala
Toni Rayala, Clerk

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE AND FINANCE COMMITTEE

Authorizing changes to the amortization and term of an existing City loan to Bull Falls Brewery from 10 years to 15 years to facilitate continued operations and future growth.

Committee Action: Econ Dev: Approved 5-0
Finance: Approved 4-0

Fiscal Impact: Extend amortization schedule results in approx. $20,000 of interest

File Number:	12-1115	**Date Introduced:**	January 24, 2017

FISCAL IMPACT SUMMARY

COSTS	*Budget Neutral*	Yes ☐ No ☒	
	Included in Budget:	Yes ☐ No ☒	*Budget Source:*
	One-time Costs:	Yes ☐ No ☒	*Amount:*
	Recurring Costs:	Yes ☒ No ☐	*Amount:*
SOURCE	*Fee Financed:*	Yes ☒ No ☐	*Amount: Loan payments of approximately $2,834.10*
	Grant Financed:	Yes ☐ No ☒	*Amount:*
	Debt Financed:	Yes ☒ No ☐	*Amount $400,000*
	TID Financed:	Yes ☒ No ☐	*Amount*
	TID Source: Increment Revenue ☒ *Debt* ☒ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, the City supported Bull Falls Brewery with a Tax Increment Financing funded grant and loan and has a secondary mortgage position on the subject property; and

WHEREAS, Bull Falls Brewery is seeking a refinancing of existing debt from both their private lender and the City to free up monthly cashflow for operations and expansions; and

WHEREAS, Bull Falls has requested and your Finance Committee and Economic Development Committee has recommended that the new City financing extend the amortization by 60 months with the principal paid in full by the end of the term and the related monthly payment decrease accordingly; and

WHEREAS, the current monthly payment is $4,792.82 and the principal outstanding is $327,015.36. The preliminary revised rate is $2,834.10 which equates to approximately $20,000 of interest income collected on the loan;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Wausau authorizes the proper City officials and staff to complete the required paperwork for changes to the loan term and amortization schedule for the City issued debt at Bull Falls Brewery.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Common Council of the City of Wausau authorizes the proper City officials and staff to amend the existing Development Agreement to reflect this change to the loan term.

BE IT FURTHER RESOLVED, that the City Clerk send a copy of the revised agreement to the Joint Review Board.

Approved:

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Robert B. Mielke, Mayor

FINANCE COMMITTEE
Date and Time: Tuesday, January 10, 2017 @ 5:00 pm., Council Chambers
Finance Members Present: Rasmussen (C), Smith, Gehin, Nutting.
Members Excused: Kellbach
Others Present: Groat, Lindman, Jacobson, Mielke, Schock, Gisselman, Abitz, Goede, Glenn Speich, Ryan Ashton; also Bill Lynch, Joanne Bragg, and Chad Sweeney – Liberty Mutual Insurance

Discussion and possible action on the request to amend the development agreement for the property at 901 East Thomas Street.
Schock explained Bull Falls Brewery is requesting a re-amortization of their loan to extend the payment period to lower their payment on a monthly basis in an effort to free up cash flow as they continue to grow/retool. He indicated they presented to the ED Committee how the changing factors of the brewery industry necessitated them to be proactive to free up cash for their expansion. He noted the bank has agreed to refinance/re-amortize their loan so it is appropriate for us to be requested to do the same. It would change the term length an additional five years.

Rasmussen commented Mike & Don Zamzow explained to ED that with the market saturation beginning in craft brewery, they are actually looking to expand into multiple states. Their cost to market their product and compete for shelf and tap space in other states certainly costs more in terms of outreach.

Motion by Nutting, second by Gehin to approve the request to amend the development agreement for the property at 901 East Thomas Street. Motion carried 4-0.

12/8 Hand delivered by Don Zarnzow.

Bull Falls Brewery, LLC
901 East Thomas Street
Wausau, WI 54403
715-842-2337

December 8, 2016

Mayor Robert B. Mielke
Wausau City Hall
407 Grant Street
Wausau, WI 54403

Dear Mayor Mielke:

Thank you for discussing this item with us. Accordingly, we are coming to you with a request for our brewery as outlined below.

Request:

Bull Falls Brewery requests to have the term of its loan with the City of Wausau extended 5 years longer than the original term of 10 years.

Reason:

The reduction in the monthly payments will allow additional cash flow for continued operating profitability as the craft brew industry faces market over saturation.

The resultant reduction in our monthly payments will improve our cash flow situation helping us to continue operating profitably in the current market environment.

Factors:

Bull Falls Brewery has always been focused on growth; hence, the system in our brewery expansion was designed to accommodate demand in our local 13 county core market with a projected increase. It was also designed to handle growth from surrounding markets within Wisconsin and nearby adjoining states.

While the local core market and our community have enthusiastically accepted our Bull Falls products, most of the surrounding territories are not familiar with it, so this anticipated growth is not materializing as quickly as we had planned. As a result, we are readjusting our cost and expense structure to more closely reflect our existing market requirements.

Included in this strategy is the request to lower our required debt payments as it is going take longer to develop the outlying markets than we anticipated, we are also working with our bank and the SBA to structure our loan terms to give us the flexibility to work within this slower growth structure. That is why we are coming to you with this request.

The National Beer Market:

Craft brewers like Bull Falls are fighting for shelf space at the store and handle space at the bar. The last decade has seen unprecedented rapid growth in craft breweries in the U. S. where craft beer volume has grown from under 4% to over 12% of total beer sales in 2015. The number of craft breweries has grown to a current level of over 4000 in the country, each brewery producing a variety of styles numbering in the 10s of 1000s. The industry as a whole is beginning to undergo a re-alignment that will probably continue for 2 or 3 years. The breweries that produce a high quality product and have a loyal local following will thrive and survive.

Bull Falls Brewery:

Bull Falls Brewery is now entering its 10th successful year; having started in 2007 in Wausau. Bull Falls has enjoyed great popularity of its products in Wausau; our local core market. Bull Falls Brewery has become an integral part of the Wausau community participating and contributing in many local causes and adding another destination for Wausau visitors.

While the early growth seems to have leveled off to we are making inroads into Eastern Wisconsin and Minnesota.

Bull Falls Brewery is committed to the Wausau area and plan to be a fixture in this community for years to come.

Sincerely,

D.D. Zamzow
Bull Falls Brewery, LLC
715-842-2337

M.D. Zamzow

Cc: Chris Schock, Planning, Community and Economic Development