*** 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 of: **ECONOMIC DEVELOPMENT COMMITTEE**
Date/Time: **Tuesday, August 3, 2021 at 5:15 p.m.**
Location: **City Hall, Council Chambers**
Members: Tom Neal (C) , Lisa Rasmussen, Sarah Watson, Becky McElhaney and Tom Kilian

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

1. Approval of the Minutes from 6/1/2021.
2. Discussion and possible action on Waiver of Right to First Refusal at 400 S. 86th Avenue from Cannistra Properties LLC to Quality Time Custom Fit Linens LLC.
3. Discussion and possible action on approving contracting with Aplomb PR to manage the Wausome Facebook page.
4. Discussion and possible action on amending the Development Agreement with Riverlife Condos, LLC to include a new property description and dates for project commencement and completion.
5. Discussion and possible action on assignment and assumption of Thomas Street Phase 1 remnant parcels from VestedNest Property Group LLC to Thomas Street Duplex, LLC and amendment to Development Agreement eliminating paragraph 9. Transfers; Assignment.
6. Discussion and possible action on adopting We Are Wausau Resolution.
7. Adjourment

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 7/29/21

This meeting is being held in person and/or via teleconfrerence (all public participants' phones will be muted during the meeting) by calling 1-408-418-9388.

The Access Code is: 1461 00 7947 The Password is: p8mQtTmNS33

Members of the public who do not wish to appear in person may view the meeting live over the internet on the City of Wausau's YouTube Channel: **http://www.tinyurl.com/WAAMedia**, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at **https://tinyurl.com/WausauCityCouncil**. Any person wishing to offer public comment who does not appear in person to do so, may e-mail **shannon.graff@ci.wausau.wi.us** with "PH&S Public Comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the chair.

Other Distribution: Media, Alderpersons, Mayor, City Departments

MINUTES

Joint Finance & Economic Development Committee Meeting

Date | time Tuesday, June 1, 2021 at 5:15 P.M. | *Meeting called to order by* Rasmussen & Neal at 5:15 P.M.

In Attendance

ED/FIN Members Present:	Tom Neal (ED chair), Sarah Watson, Becky McElhaney, Lisa Rasmussen (FIN Chair) Dawn Herbst, Michael Martens, Deb Ryan and Tom Kilian
Others Present:	Mayor Katie Rosenberg, Brad Lenz, MaryAnne Groat, Tammy Stratz, Anne Jacobson, William Harris, Patrick Peckham, Shannon Graff (Webex), Ted Matkom (Webex), Nick Patterson (Webex), Gary Gisselman

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

Joint Items

Agenda Item #1 – Discussion and possible action on the $350,000 funding request from Gorman & Company, LLC for 221 Scott Street (Landmark Apartments) Affordable Housing project. Funding sources to be considered are TID 12 and American Rescue Plan Act Local Fiscal Recovery Funds

Lenz introduced the agenda item and referred to the TID application in the packet where gap financing was requested by Gorman & Company in the amount of $350,000.

Rasmussen mentioned TID projects don't score well due to return on investment because tax credit projects are assessed at a lower rate than standard properties.

Ryan asked if Landmark has loan approval from the CDA. Lenz and Matkom confirmed approval for $900,000.

Kilian asked Matkom about the question in the TID application regarding pending litigations that was answered no. Matkom stated Gorman & Company has 6,000 units in Wisconsin and they have landlord/tenant issues which are always occurring but there are no major litigations for Gorman & Company at this time. Kilian requested a list of current list of litigations the Gorman & Company is involved in for the past 5 years. Matkom clarified if Kilian is requesting litigation no matter how small to which Kilian responded, yes. Matkom said he would supply this information as requested. Rasmussen asked Kilian if he wanted Matkom to include evictions as standard practice. Kilian said he was open for discussion but would like anything that would be considered a civil suit.

Ryan questioned the renovation process and how current residents will be affected by it. Matkom answered they held two meetings with residents. The renovations will begin on floors 8, 7 and 6. Residents on those floors will relocate to "hotel units" within the building for 45-60 days until renovation is complete. Every time a floor is completed, they will start renovating another floor and no one will be displaced with that strategy.

Ryan asked if they would be notifying everyone that they will be in a Section 8 building. Matkom replied the Landmark will not be a Section 8 project but rather Section 42. Ryan asked if the tenants would be income qualified for units which Matkom replied yes. Ryan asked if there are current tenants who are at market rate rents or above the income limit who would stay in the building once renovation is completed. Matkom responded there are no leases on the apartments now and those who do not income qualify would have to relocate because there will be no market rate apartments. Ryan asked if there would be dollars set aside to help renters who need to find other housing, to help with moving costs, higher rent/utilities.

Matkom responded there isn't funding set aside for relocation on a month to month lease. He stated if they were breaking a lease due to changing the requirements to rent there, that would be a different story. Matkom said they have always offered to help people move their belongings out and into a moving truck but does not help pay for moving costs.

Groat added there is no requirement for the city to provide funds for relocation from The Landmark. Groat stated if there was a street project that impacted residents living situation then there would be an obligation to support those households. Groat asked Matkom to explain how many apartments the complex will have when the renovations are completed.

Matkom stated there are currently 105 units but once the project is complete there will be 94 due to several current units not being legal living space. He stated about 50% of people living in the complex now are living there because the rent is what they can afford. The other 50% can afford higher rent but choose to live in the Landmark because rent is cheap. Matkom stated they would make 100% of the units affordable, targeting 60% of the county median income meaning an individual income limit would be about $25-30,000/yr. and a family of 4, the income limit would be about $50,000.

Ryan mentioned she is concerned about the residents who will have to move from the Landmark but may not be able to afford moving expenses or higher rent. Ryan suggested perhaps there would be money down the road that could be used from CDBG to help residents with relocation.

Rasmussen said the meat of their discussion is what pot of money to pull from if the committee chooses to support the project. She stated this satisfies a goal of the council to create more affordable.

Ryan stated she attended the Water Commission meeting earlier in the day and it was discussed to use recovery funds for lead lateral replacements for low income neighborhoods. She asked the Mayor if there is latitude on that. Mayor Rosenberg stated they voted to give Director Lindman 60 days to determine how recovery funds could be used towards lead lateral replacement for low income neighborhoods. She stated the council would need to vote on it but Mayor Rosenberg wants to ensure their needs as a utility are voiced.

Rasmussen reiterated the disadvantage of TID funding for this project because normally when TID funding is used, the taxable value of the property increases and those gains are used to pay the taxes. Conversely, using TID funding for a tax credit property will not produce those same results making it less desirable to use TID funding. Rasmussen would like to see a robust plan with a diverse mix of uses for the American Recovery Funds to get the largest bang for the dollars received.

Watson asked if there is a potential income generating projects in TID 12 that could offset the loss of generation from the Gorman project. Groat responded The Landmark is not in TID 12 but the project plan does allow for development incentives within a ½ mile boundary, which this parcel is. The city could choose to amend the district to include it but because the value of the building is not expected to increase there is no incentive to amend the district to include the parcel.

Ryan motioned to use the American Rescue funds versus TID 12 for the Gorman Project, seconded by Martens.

FIN Committee voted and motion carried 5-0.

ED Committee member McElhaney motioned to use the American Rescue Funds for the Gorman Project, seconded by Watson.

Kilian recommended using $350,000 in TID funds and using American Rescue Funds to help those displaced from The Landmark to provide them a soft landing. Neal asked Matkom to address Kilian's concern about the displacement of residents and a possible partnership with the city.

Matkom replied first by correcting the numbers discussed earlier. There are currently 20 vacancies and 70 occupied units. Of the 70 occupied units, he stated about 50 are affordable and 20 are market. He made this clarification to provide a more correct number of people that could be displaced. He said the market rate tenants are being given complete flexibility to provide whatever notice they want (a month, a week, or a day) up to August 1st, to move from the property. Their security deposits will be returned in full. If the resident needs help moving their belongings from their unit into a loading van, they will provide this assistance but Gorman will not assist them to/at their new unit.

Rasmussen stated helping residents financially who will be displaced from Landmark was not part of the request on the application and the possibility of funds to those dislocated should be for a different discussion.

Ryan asked Stratz if the CDBG is something that can be used for the displaced residents. Stratz responded it is not black and white and would be dependent on how it's structured. Stratz said if CDBG funds were used, the money would have to be used to help a low income person(s). Though, those being displaced are over income per Section 42 requirements, therefore they would not meet criteria for CDBG. Additionally, the money used would be considered funding a public service activity which would take money away from non-profits.

Kilian motioned to increase the request by $30,000 in order to help those displaced with moving elsewhere (figuring $1,500 for each unit impacted). No second on this motion.

Rasmussen responded including the increase in the request would need to take place during a later discussion and not assume the American Rescue Funds can be used for that type of an expense. She said there should be an analysis of how much a request might be and not assume each person will need $1,500. Rasmussen said we need to look at the need and the rules before making that type of decision.

Kilian amends his motion and requested an analysis be completed by the attorney's office to see if the American Rescue Funds can be used for transitional expenses. No second on this motion.

ED Committee voted and motion to use American Rescue Funds for the Gorman Project carried 5-0.

Agenda Item #2 – Discussion and possible action on the extension on the deferral of principal payments on city-funded loans for small businesses in the aftermath of the COVID-19 pandemic

Rasmussen introduced the agenda item stating that last year businesses that had city loans were offered a deferment on their payments due to the pandemic and since we are still not through the pandemic fully, the committee is being asked to consider an additional deferral until businesses stabilize. Rasmussen pointed out there is no money actually lost as interest is still accruing, but it allows businesses flexibility on their repayments.

Neal asked how the current deferrals are being administered.

Stratz stated initial outreach to businesses produced several participants in the loan deferral. After the extension was approved approximately half the initial businesses continued to participate and currently there are only four businesses participating. Stratz reached out to those businesses last week to remind them the extension will end in June with payments starting in July but she has not heard from any of them.

Rasmussen suggested approving the option to continue the deferral for those who need it and those who don't need it could opt to restart payments. Rasmussen asked Stratz if she would recommend the authority to defer up to a year if needed. Stratz responded she would appreciate that flexibility.

Herbst motioned to allow Stratz the leeway to work with businesses who are interested in deferring their loan payments to the City of Wausau for up to the next 12 months, seconded by Watson.

FIN Committee voted and motion carried 5-0.

Neal asked Stratz if someone who didn't take advantage of the deferral before but wants to now, are they able to participate. Stratz said she would like the ability for additional businesses to participate even if they hadn't before.

Kilian motioned to allow Stratz the leeway to work with businesses who are interested in deferring their loan payments to the City of Wausau for up to the next 12 months, seconded by McElhaney.

Kilian commented that we should show the same level of leniency to not only our businesses but our residents as well.

ED Committee voted and motion carried 5-0.

Agenda #3 – Adjournment FINANCE Committee

Rasmussen asked for a motion to adjourn the Finance committee portion of the meeting.

Herbst motioned to adjourn, seconded by Martens.
Committee voted and motion carried 5-0.

Economic Development Only Items

Agenda #4 – Approval of the Minutes from 5/4/2021

Kilian motioned to approve 5/4/21 meeting minutes, seconded by McElhaney.

Committee voted and motion carried 5-0

Agenda Item #5 – Discussion and possible action on the 4th amendment to the development agreement with Entrepreneurial and Education Center Inc., formerly known as Wausau Business Incubator.

Lenz introduced the agenda item as presented in the packet. As a result of MCDEVCO joining the EEC, there are new terms being considered and the development agreement addressed what the city would be responsible for.

Neal commented this is an ongoing relationship between the EEC and the city for years and there have been services rendered since the beginning. He stated the document lays out the terms of that partnership.

Rasmussen motioned to approve the amendment, seconded by Watson.

Kilian asked Lenz to highlight the updated agreement and what are the key changes. Lenz requested assistance from Atty. Jacobson to provide the information Kilian requested. Atty. Jacobson provided the key changes as: to maintain and bid service contracts for utilities, open mail addressed to the incubator (not the tenants), invoice conference room and kitchen rentals. Kilian asked why we are providing these activities. Neal replied this is a long standing partnership. The center itself provides an important avenue to entrepreneurs who are looking to establish a new business, properly operate it and potentially rent space in the center for a period of time. Neal continued that once established, the hope is the business can be absorbed into our regular economy so it's a strategic partnership.

Rasmussen said our goal has always been to seed, incubate and help businesses headquartered in Wausau and who remain here and help generate vitality into our local economy. The EEC has started, launched and had dozens of local businesses succeed and are still in Wausau.

Committee voted and motion carried 4-1 with Kilian being the dissenting vote.

Agenda Item #6 – Discussion and possible action on terms of a Development Agreement with T. Wall Enterprises Development LLC for city-owned land in the Riverlife north zone lots #6, 7 and 8

Lenz introduced the agenda as presented in the packet.

Agenda #7 – CLOSED SESSION pursuant to Section 19.85(1)(e) of the Wisconsin statutes for 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 terms of a Development Agreement with T. Wall Enterprises Development LLC for city-owned land in the Riverlife north zone lots #6, 7 and 8

Rasmussen motioned to move to closed session, seconded by Watson.

Roll call vote completed and motion carried to move to closed session 5-0.

Agenda #8 – RECONVENE to take action on Closed Session item, if necessary

Neal calls meeting back to open session.

Neal stated the committee has met and after discussion and reached a general agreement. The committee is asking staff to go back to finalize a definitive term sheet for council to consider at the next council meeting.

Agenda #9 – Discussion and possible action on the Community for All Resolution

Mayor Rosenberg presented the agenda item as provided in the packet. She stated the County has been working on a resolution since the historic George Floyd march last June. Mayor Rosenberg stated her intention with her proclamation was to support the work they've done, support the community and make people feel like they belong here. Mayor Rosenberg shared that community reaction has been overwhelmingly positive.

County Board Supervisor, William Harris said he thinks it's important we affirm our values publicly, that we say the city does welcome a community for all and to all, acknowledge diversity in our community, to celebrate our differences and meet our challenges together as a community. He stated by doing this, we remain a vibrant, inclusive and growing city that will continue to prosper and have a bright future. He wants everyone in the community to feel like they belong, have access to the same opportunities, and want everyone to contribute. From an Economic Development standpoint, being more inclusive lets businesses know they can invest here because we welcome their talented and diverse workforces. He states in order to move forward, we must do so together.

Neal commented this item was important to be part of the ED Committee because we are the county seat where important issues tend to fall on us. He said the negative publicity the city received due to the county board's decision could hurt our bottom line and we need to step up and support this to show we are all in this together.

Rasmussen discussed her struggle with the proclamation saying the committee was blindsided by this proclamation. She said she doesn't think local government can fix a nationwide social issue and pointed out the County Board worked on their proclamation for a year and could not come to an agreement and several Members of the Board share the same constituents the council members do and that shared constituency is as divided as it's ever been so no matter what decision is made, half the residents are going to be angry with the decision made. Rasmussen stated the Council/ED Committee did not have a hand in the document before them and because of that have been left with a false choice. She said she understands why the Mayor felt she needed to issue a proclamation but asked what one would be accused of if you did or did not vote for the proclamation. She said they are elected to be bi-partisan and vote for what the majority of what their constituents want and they have not had an opportunity to interact with their people about the proclamation but the document is before them now ready for action. Rasmussen said the proclamation presented contains a lot of the same language as the one presented to the board such as containing equity and not equality. She explained many people will read equity as a financial term that creates an outcome. She said when resolutions have been issued, it has done nothing to modify people's behaviors or beliefs but does a lot to stir up inflammations that already exist in the community. She continued stating she doesn't think the proclamation is a way to dial down the temperature of the community politically. She expressed dismay about the New York Times article being referenced in the proclamation because historically, they have not created new policies as a reaction to negative media. Rasmussen stated she feels Wausau has already made strides in the past several years to help make Wausau a welcoming community and questioned if the steps taken are actually helping the people they're meant to help or making the situation worse.

Neal responded he does not think this proclamation is without precedent around the community or state. Neal agreed the proclamation will not change certain people's behaviors but states the committee has a responsibility to represent the city's image and brand. Neal is angered that people or businesses may be less apt to move here because they've heard what it's like and said it's important the committee/council stand up for what is inherently and intrinsically right. He stated the committee needs to rise above the pettiness of picking apart what a particular word means.

Watson agreed the proclamation is important because it shapes the city's image and shows what the community represents. She commented that a lot of what is in the proclamation has been discussed at the Liberation and Freedom Committee as well so it's not only coming from the County Board.

Mayor Rosenberg clarified the Liberation and Freedom Committee did recommend supporting the proclamation and stated they sat on it for a bit but due to the publicity it became more of a focus.

Watson agreed with Rasmussen in taking out the part mentioning the New York Times article because a Community For All has been discussed for some time and is not a result of the New York Times article.

Neal agreed with removing the section mentioning the New York Times from the proclamation.

McElhaney agreed with removing the mention of the New York Times article and said if the committee is going to vote for the proclamation it shouldn't be a knee-jerk reaction to negative media, but something that's coming from the heart.

Kilian disagreed with others and said perhaps committees should start to respond to negative publicity. He said every time the committee takes an action and makes a decision on policy the committee has an opportunity to affirm this is a Community For All whether it's race, ethnicity or socioeconomics. Kilian said leaders lead from the front and must do what is right and just and approving the proclamation would be a good start. He would like to see this stapled to every ED Packet, environmental review so everyone remembers that people are to be protected and included and the committee can act as an example.

Rasmussen commented she doesn't want the committee to over emphasize the value of negative press. She said she doesn't see that story having any long term impact on the community. Rasmussen again stated the reference to the New York Times article absolutely needs to be omitted from the proclamation. Rasmussen added if they look at who approves of the proclamation between left, right and center, it is definitely not the right. She said there is a lot of negative dialogue happening in the community and for all the people who appreciate the city taking this on, there is another group who would say it's not in the city's sphere. That group feels the job of the local government is to approve the budget and provide services the community needs, wants and expects at an affordable price and beyond that, they get accused of sticking their feet into management waters that perhaps belong at state and national level and it's not the place for a tiny local government.

Neal disagreed with Rasmussen's comments and said even if the New York Times article never appeared, he would have pushed for the proclamation based on the actions of the Executive Committee of the County Board.

Rasmussen questioned if the committee is confident the vast majority of their residents want to see this happen. She said she agrees with a lot of points in the proclamation but she's not sure she can make a decision that balances an equal portion of public sentiment.

Neal stated he didn't think they could have a referendum on the relative merits of equality.

Watson said there was a lot of support for this proclamation at the last council meeting when it was discussed pushing it back to ED. She said voting on this and sending it to council will allow more people to become aware and voice their opinions. She added that the proclamation ultimately recognized the article and the statement itself is powerful and attracting business. She mentioned if a business were looking to relocate here, they could Google Wausau, WI and news and the New York Times article would most likely populate, but if a business saw the city established this proclamation, they may be more open to investigating.

Neal commented that what is being asked here is something that is fundamentally human and something to stand up for as a community and show it. He mentioned the city does not have a clear statement on this issue which has raised its head over the past year or more. He said to Kilian's point that sometimes leaders just need to lead and do the right thing.

Mayor Rosenberg commented that many businesses have contacted her supporting this stance and when media asks who they should talk to, the mayor provided options who then didn't want to comment on it. She said this is an opportunity for us to get our businesses to stand with us and not be scared. She said a Community For All aligns with our 5-7 year strategic plan.

McElhaney asked that people with disabilities be considered just as much as other marginalized populations.

Gisselman commented that after attending many meetings within the community, he recognized a lot of people look to the City Council as leaders of this community who set the standards. He said there is no room for people being talked down to because of race, ethnicity, sexual orientation, etc.

Watson makes a motion to approve the proclamation after it's amended to remove the fourth Whereas referring to the New York Times article, seconded by McElhaney.

Committee voted on the motion to amend and then approve the resolution. Motion carried 5-0.

Rasmussen motioned for a second amendment to substitute all instances of the word equity for equality, seconded by McElhaney.

Harris discussed the definition of equity as fair and impartial treatment which is the dictionary definition. By defining it, it seemed to satisfy those who were opposed to the word equity. He pointed out that equity came about in the 14th century and socialism came about in the 19th century so one has nothing to do with the other from a historical standpoint. He mentioned if the committee defined what equity is, then that may help with the opposition of the term.

Kilian commented that recent executive orders have defined equity as fair and impartial treatment to all and said opposing equity is not a legitimate conservative ideal.

Rasmussen responded that no one said that one side or the other is opposing the concept of equity, only that there has been a lot of emphasis in recent months on the use of the term. She added, if the committee is going to meet in the middle, you either have to define equity per definition or clarify the use of the term that people be treated fairly and equally which would then dispel the notion that equity is tied to the economics of the term equity.

Neal asked if replacing equity with equality would clear that misconception.

Rasmussen replied it's either that or add the definition just to make it clear.

McElhaney recommended to define equity versus replacing it with equality.

Rasmussen amended her motion to define equity rather than replace it with equality.

Harris clarified the difference between equity and equality. Equality means everyone receives the same thing. Equity means fair which does not always equate to equal.

Committee voted on the motion with the two aforementioned amendments and motion carried 5-0.

Agenda #10 – Staffing Updates

Lenz reminded everyone that Fitzgerald has left but Lenz will be there in the interim until a new director is hired. Lenz also welcomed the new Assistance City Planner Sam Wessel to the Economic and Community Development team. Wessel joined us from River Falls and will be helping with all things Planning, Economic and Community Development.

Agenda #11 – Adjournment

Watson motioned to adjourn, seconded by Kilian. Committee voted and motion to adjourn carried 5-0. Meeting adjourned at 7:32 P.M.

CANNISTRA PROPERTIES LLC

RECEIVED
JUL 13 2021
CITY ATTORNEY
WAUSAU, WI

07/13/2021

To: City of Wausau
From: Cannistra Properties LLC

We have an offer to purchase from Quality Time Custom Fit Linens LLC for our building at 400 S 86th Avenue Wausau, WI 54401 in the amount of $489,000. This letter is to offer you the right of first refusal for the above listed property. Please notify us as soon as possible if you intend to exercise your right to purchase.

Thank You,

Mary T. Cannistra, Member

Charles and Mary Cannistra
Members Cannistra Properties LLC

P.O. Box 955
Boulder Junction, WI 54512-0955
715-573-3281/715-573-3287

DocuSign Envelope ID: FBED187A-133E-4790-82AA-56658B0EA34B

Approved by Wisconsin Real Estate Examining Board
10-1-15 (Optional Use Date) 1-1-16 (Mandatory Use Date)

WISCONSIN REALTORS® ASSOCIATION
4801 Forest Run Road
Madison, Wisconsin 53704

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 07/07/2021 and signed by Buyer QUALITY TIME CUSTOM FIT LINENS LLC
for purchase of real estate at 400 S 86TH AVENUE 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:

BUYER IS QUALITY TIME CUSTOM FIT LINENS LLC

LINE 20: SATELLITE DISHES ARE NOT INCLUDED AND WILL REMAIN ON THE PROPERTY, BUYER SHALL DECIDE IF THEY WANT TO CONTINUE WORKING WITH NETWORK PROFESSIONALS AND ALLOW THEM TO REMAIN ON THE BUILDING POST CLOSING.

LINE 44 CLOSING DATE: "AUGUST 20TH 2021" IS REMOVED AND REPLACED WITH "SEPTEMBER 7TH 2021"

LINES 625-626 ARE REMOVED FROM THE OFFER. THE METAL FRAMING IN OFFICE STORAGE ROOM SHALL NOT BE REMOVED.

THIS OFFER IS CONTINGENT UPON THE SELLER OBTAINING A WRITTEN LEASE TERMINATION AGREEMENT FROM THE CURRENT TENANT PRIOR TO CLOSING.

The attached COUNTY LAND AND TITLE ESCROW AGREEMENT 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 July 9, 2021 (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 30-33.

This Counter-Offer was drafted by BRADLEY WOLDT WOLDT COMMERCIAL REALTY LLC on 07/08/2021.
Licensee and Firm ▲ Date ▲

DocuSigned by: (x) Charles Cannistra 6040DA6CA2D1480... 7/8/2021	(x) May Moua 07/09/2021 08:00 AM CDT
Signature of Party Making Counter-Offer ▲ Date ▲	Signature of Party Accepting Counter-Offer ▲ Date ▲
Print name ▶ Charles Cannistra	Print name ▶
DocuSigned by: Cannistra Properties, LLC (x) Mary Cannistra 7/8/2021	(x) Mao Hen Moua 07/09/2021 08:00 AM CDT
Signature of Party Making Counter-Offer ▲ Date ▲	Signature of Party Accepting Counter-Offer ▲ Date ▲
Print name ▶ Mary Cannistra Cannistra Properties, LLC	Print name ▶

This Counter-Offer was presented by DAVE OLSON RE/MAX EXCEL on 7/08/2021.
Licensee and Firm ▲ Date ▲

This Counter-Offer is (rejected) (countered) STRIKE ONE (Party's Initials) ______ (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 July 7, 2021 **[DATE] IS (AGENT OF BUYER)** ~~**(AGENT OF SELLER/LISTING FIRM) (AGENT OF BUYER AND SELLER)**~~ **STRIKE THOSE NOT APPLICABLE**

The Buyer, Quality Time Custom Fit Liners LLC, offers to purchase the Property known as 400 S 86th Avenue Wausau, WI [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 Four Hundred Eighty Nine Thousand and 00/100 Dollars ($ 489,000).

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: Office Furniture

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: ______.

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 July 9 2021. 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 August 20, 2021 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 $ -0- 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~~) (other identified as COUNTY LAND AND TITLE) 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 JULY 30, 2021 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.

PROPOSED USE CONTINGENCIES: This Offer is contingent upon Buyer obtaining, at Buyer's expense, the reports or documentation required by any optional provisions checked on lines 185-197 below. The optional provisions checked on lines 185-197 shall be deemed satisfied unless Buyer, within ______ days ("30" if left blank) after acceptance, delivers: (1) written notice to Seller specifying those optional provisions checked below that cannot be satisfied and (2) written evidence substantiating why each specific provision referred to in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller agrees to cooperate with Buyer as necessary to satisfy the contingency provisions checked at lines 185-197.

Proposed Use: Buyer is purchasing the Property for the purpose of: SHEET FABRIC AND LINEN FABRICATION AND PACKAGING ______ **[insert proposed use and type and size of building, if applicable; e.g. restaurant/tavern with capacity of 350 and 3 second floor dwelling units].**

[✓] **ZONING:** Verification of zoning and that the Property's zoning allows Buyer's proposed use described at lines 181-183.

[✓] **EASEMENTS AND RESTRICTIONS:** Copies of all public and private easements, covenants and restrictions affecting the Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase the costs of the proposed use or development identified at lines 181-183.

[✓] **APPROVALS:** All applicable governmental permits, approvals and licenses, as necessary and appropriate, or the final discretionary action by the granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's proposed use: ______ or delivering written notice to Seller if the item(s) cannot be obtained or can only be obtained subject to conditions which significantly increase the cost of Buyer's proposed use described at lines 181-183.

[ ] **ACCESS TO PROPERTY:** Written verification that there is legal vehicular access to the Property from public roads.

[ ] **LAND USE APPROVAL/PERMITS:** This Offer is contingent upon (Buyer)(Seller) STRIKE ONE ("Buyer" if neither stricken) obtaining the following, including all costs: a CHECK ALL THAT APPLY ☐ rezoning; ☐ conditional use permit; ☐ variance; other ______ for the Property for its proposed use described at lines 181-183. Seller agrees to cooperate with Buyer as necessary to satisfy this contingency. Buyer shall deliver, within ______ days of acceptance, written notice to Seller if any item cannot be obtained, in which case this Offer shall be null and void.

[ ] **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) STRIKE ONE ("Seller providing" if neither is stricken) a ______ survey (ALTA/NSPS Land Title Survey if survey type is not specified) dated subsequent to the date of acceptance of this Offer and prepared by a registered land surveyor, within ______ days ("30" if left blank) after acceptance, at (Buyer's) (Seller's) STRIKE ONE ("Seller's" if neither is stricken) expense. The map shall show minimum of ______ acres, maximum of ______ acres, the legal description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements, if any, and: ______ .

STRIKE AND COMPLETE AS APPLICABLE Additional map features which may be added include, but are not limited to: staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square footage; utility installations; easements or rights-of-way. Such survey shall be in satisfactory form and accompanied by any required surveyor's certificate sufficient to enable Buyer to obtain removal of the standard survey exception(s) on the title policy.

CAUTION: Consider the cost and the need for map features before selecting them. Also consider the time required to obtain the map when setting the deadline.

This contingency shall be deemed satisfied unless Buyer, within 5 days after the deadline for delivery of said map, delivers to Seller a copy of the map and a written notice which identifies: (1) a significant encroachment; (2) information materially inconsistent with prior representations; (3) failure to meet requirements stated within this contingency; or (4) the existence of conditions that would prohibit the Buyer's intended use of the Property described at lines 181-183. Upon delivery of Buyer's notice, this Offer shall be null and void. Once the deadline for delivery has passed, if Seller was responsible to provide the map and failed to timely deliver the map to Buyer, Buyer may terminate this Offer if Buyer delivers a written notice of termination to Seller prior to Buyer's Actual Receipt of said map from Seller.

[ ] **DOCUMENT REVIEW CONTINGENCY:** This Offer is contingent upon Seller delivering the following documents to Buyer within ______ days ("30" if left blank) after acceptance: CHECK THOSE THAT APPLY; STRIKE AS APPROPRIATE

☐ Documents evidencing the sale of the Property has been properly authorized, if Seller is a business entity

☐ A complete inventory of all furniture, fixtures, equipment and other personal property included in this transaction which is consistent with representations made prior to and in this Offer.

☐ Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property to be free and clear of all liens, other than liens to be released prior to or at closing.

☐ Rent roll.

☐ Other ______

Additional items which may be added include, but are not limited to: building, construction or component warranties, previous environmental site assessments, surveys, title commitments and policies, maintenance agreements, other contracts relating to the Property, existing permits and licenses, recent financial operating statements, current and future rental agreements, notices of termination and non-renewal, and assessment notices.

All documents Seller delivers to Buyer shall be true, accurate, current and complete. Buyer shall keep all such documents confidential and disclose them to third parties only to the extent necessary to implement other provisions of this Offer. Buyer shall return all documents (originals and any reproductions) to Seller if this Offer is terminated.

■ CONTINGENCY SATISFACTION: This contingency shall be deemed satisfied unless Buyer, within ______ days ("5" if left blank) after the deadline for delivery of the documents, delivers to Seller a written notice indicating this contingency has not been satisfied. Such notice shall identify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s). Upon delivery of such notice, this Offer shall be null and void.

☐ **ENVIRONMENTAL EVALUATION CONTINGENCY:** This Offer is contingent upon a qualified independent environmental consultant of Buyer's choice conducting an Environmental Site Assessment of the Property (see lines 274-291), at (Buyer's) (Seller's) expense STRIKE ONE ("Buyer's" if neither is stricken), which discloses no Defects.

NOTE: "Defect" as defined on lines 523-525 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.

For the purpose of this contingency, a Defect is defined to also include a material violation of environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the Property due to future migration from other properties. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

■ CONTINGENCY SATISFACTION: This contingency shall be deemed satisfied unless Buyer, within ______ days ("30" if left blank) after acceptance, delivers to Seller a copy of the Environmental Site Assessment report and a written notice listing the Defect(s) identified in the Environmental Site Assessment report to which Buyer objects (Notice of Defects).

CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.

■ RIGHT TO CURE: Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to cure, Seller may satisfy this contingency by:

(1) delivering written notice to Buyer within __________ ("10" if left blank) days after Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects;

(2) curing the Defects in a good and workmanlike manner; and

(3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written Environmental Site Assessment report and:

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

(2) Seller has a right to cure but:

(a) Seller delivers written notice that Seller will not cure; or

(b) Seller does not timely deliver the written notice of election to cure.

■ ENVIRONMENTAL SITE ASSESSMENT: An "Environmental Site Assessment" (also known as a "Phase I Site Assessment") may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment including the National Priorities List, the Department of Nature Resources' (DNR) Registry of Waste Disposal Sites, the DNR's Contaminated Lands Environmental Action Network, and the DNR's Remediation and Redevelopment (RR) Sites Map including the Geographical Information System (GIS) Registry and related resources. Any Environmental Site Assessment performed under this Offer shall comply with generally recognized industry standards (e.g. current American Society of Testing and Materials "Standard Practice for Environmental Site Assessments"), and state and federal guidelines, as applicable.

CAUTION: Unless otherwise agreed an Environmental Site Assessment does not include subsurface testing of the soil or groundwater or other testing of the Property for environmental pollution. If further investigation is required, insert provisions for a Phase II Site Assessment (collection and analysis of samples), Phase III Environmental Site Assessment (evaluation of remediation alternatives) or other site evaluation at lines 620-650 or attach as an addendum per line 676.

INSPECTIONS AND TESTING: Buyer may only conduct inspections or tests if specific contingencies are included as a part of this Offer. An "inspection" is defined as an observation of the Property, which does not include an appraisal or testing of the Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property for laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the contingencies in this Offer. Buyer or licensees or both may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the test (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.

Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

[✓] **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 292-306).

(1) This Offer is contingent upon a qualified independent inspector(s) conducting an inspection(s) of the Property which discloses no Defects.

(2) This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing an an inspection of ____

____

(list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects.

(3) Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection, provided they occur prior to the Deadline specified at line 320. Each inspection shall be performed by a qualified independent inspector or independent qualified third party.

Buyer shall order the inspection(s) and be responsible for all costs of inspection(s).

CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as well as any follow-up inspection(s).

This contingency shall be deemed satisfied unless Buyer, within _______ days ("20" if left blank) after acceptance, delivers to Seller a copy of the inspection report(s) dated after the date on line 1 of this Offer and a written notice listing the Defect(s) identified in the inspection report(s) to which Buyer objects (Notice of Defects).

CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.

For the purpose of this contingency, Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

NOTE: "Defect" as defined on lines 523-525 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.

■ **RIGHT TO CURE:** Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure the Defects.

If Seller has the right to cure, Seller may satisfy this contingency by:

(1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects;

(2) curing the Defects in a good and workmanlike manner; and

(3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) 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 cure; or

(b) Seller does not timely deliver the written notice of election to cure.

IF LINE 342 IS NOT MARKED OR IS MARKED N/A LINES 392-403 APPLY.

[✓] **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written Commercial [loan type or specific lender, if any] first mortgage loan commitment as described below, within 30 days after acceptance of this Offer. The financing selected shall be in an amount of not less than $ 440 000 for a term of not less than 10 years, amortized over not less than 25 years. Initial monthly payments of principal and interest shall not exceed $ 2498. Buyer acknowledges that lender's required monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage shall not include a prepayment premium. Buyer agrees to pay discount points in an amount not to exceed _________ % ("0" if left blank) of the loan. If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 620-650 or in an addendum attached per line 676. Buyer agrees to pay all customary loan and closing costs, wire fees, and loan origination fees, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. Seller agrees to allow lender's appraiser access to the Property.

■ LOAN AMOUNT ADJUSTMENT: If the purchase price under this Offer is modified, any financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 358 or 359.

☒ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed 5.5 %.

☐ **ADJUSTABLE RATE FINANCING:** The initial interest rate shall not exceed ________%. The initial interest rate shall be fixed for ________ months, at which time the interest rate may be increased not more than ________% ("2" if left blank) at the first adjustment and by not more than ________% ("1" if left blank) at each subsequent adjustment. The maximum interest rate during the mortgage term shall not exceed the initial interest rate plus ________% ("6" if left blank). Monthly payments of principal and interest may be adjusted to reflect interest changes.

NOTE: If purchase is conditioned on Buyer obtaining financing for operations or development consider adding a contingency for that purpose.

■ SATISFACTION OF FINANCING COMMITMENT CONTINGENCY: If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of a written loan commitment. This contingency shall be satisfied if, after Buyer's review, Buyer delivers to Seller a copy of a written loan commitment (even if subject to conditions) that is:

(1) signed by Buyer; or

(2) accompanied by Buyer's written direction for delivery.

Delivery of a loan commitment by Buyer's lender or delivery accompanied by a notice of unacceptability shall not satisfy this contingency.

CAUTION: The delivered loan commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. Buyer understands delivery of a loan commitment removes the Financing Commitment Contingency from the Offer and shifts the risk to Buyer if the loan is not funded.

■ SELLER TERMINATION RIGHTS: If Buyer does not deliver a loan commitment on or before the Deadline on line 344, Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of written loan commitment from Buyer.

■ FINANCING COMMITMENT UNAVAILABILITY: If a financing commitment is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability.

☐ **SELLER FINANCING:** Seller shall have 10 days after the earlier of:

(1) Buyer delivery of written notice of evidence of unavailability as noted in lines 380-383; or

(2) the Deadline for delivery of the loan commitment set on line 344

to deliver to Buyer written notice of Seller's decision to finance this transaction with a note and mortgage under the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, the option for Seller to provide financing shall be considered waived. Buyer agrees to cooperate with and authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

IF THIS OFFER IS NOT CONTINGENT ON FINANCING COMMITMENT Within ________ days ("7" if left blank) after acceptance, Buyer shall deliver to Seller either:

(1) reasonable written verification from a financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds to close; or

(2) ____ [Specify documentation Buyer agrees to deliver to Seller].

If such written verification or documentation is not delivered, Seller has the right to terminate this Offer by delivering written notice to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written verification. Buyer may or may not obtain mortgage financing but does not need the protection of a financing commitment contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing commitment contingency.

☑ **APPRAISAL CONTINGENCY:** This Offer is contingent upon Buyer or Buyer's lender having the Property appraised at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date stated on line 1 of this Offer, indicating an appraised value for the Property equal to or greater than the agreed upon purchase price.

This contingency shall be deemed satisfied unless Buyer, within 28 days after acceptance, delivers to Seller a copy of the appraisal report indicating an appraised value less than the agreed upon purchase price, and a written notice objecting to the appraised value.

■ **RIGHT TO CURE:** Seller (shall)(~~shall not~~) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure. If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer adjusting the purchase price to the value shown on the appraisal report within ______ days ("5" if left blank) after Buyer's delivery of the appraisal report and the notice objecting to the appraised value. Seller and Buyer agree to promptly execute an amendment initiated by either Party after delivery of Seller's notice, solely to reflect the adjusted purchase price.

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.

☐ **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:

☑ 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 ______________________________

____

______________________ Insert additional terms, if any, at lines 620-650 or attach as an addendum per line 676.

[ ] **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

OFFER IS SUBJECT TO CITY OF WAUSAU PROVIDING TO THE SELLER A WAIVER OF THE RIGHT OF FIRST REFUSAL.

SELLER TO REMOVE METAL FRAMING IN OFFICE STORAGE ROOM.

SELLER TO REMOVE EXHAUST HOOD FROM THE WAREHOUSE AREA.

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: BRADLEY WOLDT WOLDT COMMERCIAL REALTY LLC

Name of Buyer's recipient for delivery, if any: DAVE OLSON RE/MAX EXCEL 715 573 8976

☐ (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: __________________

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

Email Address for Seller: bradleywoldt@aol.com

Email Address for Buyer: davesellswausau@gmail.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.

☐ **ADDENDA:** The attached __________________ is/are made part of this Offer.

This Offer was drafted by [Licensee and Firm] DAVE OLSON RE/MAX EXCEL

Buyer Entity Name (if any): QUALITY TIME CUSTOM FIT LINENS LLC

(x) May Moua MAY MOUA 7/6/21

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

(x) Mao Her Moua MAOHER MOUA 7/6/21

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] Bradley Woldt

WOLDT COMMERCIAL REALTY LLC on 07/07/2021 6:35pm at ____ a.m./p.m.

This Offer is rejected ________ ________ This Offer is countered [See attached counter] DS MC DS CC 7/8/2021

Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

SELLER DISCLOSURE REPORT - COMMERCIAL

THIS DISCLOSURE REPORT CONCERNS THE REAL PROPERTY LOCATED AT 400 S 86TH AVENUE IN THE CITY (CITY) (VILLAGE) (TOWN) OF WAUSAU, COUNTY OF MARATHON STATE OF WISCONSIN. THIS REPORT IS A DISCLOSURE OF THE CONDITION OF THAT PROPERTY AS OF June (MONTH) 30 (DAY) 2021 (YEAR).

When listing a property Wis. Admin. Code § REEB 24.07(1)(b) requires licensees to inspect the property and to "make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property. The licensee shall request that the seller provide a written response to the licensee's inquiry." This Seller Disclosure Report is a tool designed to help the licensee fulfill this license law duty.

This is not a warranty of any kind by the owner or any agents representing any party in this transaction and is not a substitute for any inspections, testing or warranties that the parties may wish to obtain. This is not a disclosure report required by Wis. Stat. Ch. 709 and the owner is voluntarily providing this information.

NOTICE TO PARTIES REGARDING ADVICE OR INSPECTIONS

Real estate licensees may not provide advice or opinions concerning whether or not an item is a defect for the purposes of this report or concerning the legal rights or obligations of parties to a transaction. The parties may wish to obtain professional advice or inspections of the property and to include appropriate provisions in a contract between them with respect to any advice, inspections, defects, or warranties.

A. OWNER'S INFORMATION

A1. In this form, "aware" means the "owner(s)" have notice or knowledge.

A2. In this form, "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.

A3. In this form, "owner" means the person or persons, entity, or organization that owns the above-described real property.

A4. The owner represents that to the best of the owner's knowledge, the responses to the following questions have been accurately checked as "yes," "no," or "not applicable (N/A)" to the property being sold. If the owner responds to any question with "yes," the owner shall provide an explanation of the reason why the response to the question is "yes" in the area provided following each group of questions.

A5. The owner discloses the following information with the knowledge that, even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the property. The owner hereby authorizes the owner's agents and the agents of any prospective buyer to provide a copy of this report, and to disclose any information in the report, to any person in connection with any actual or anticipated sale of the property.

B. STRUCTURAL AND MECHANICAL

		YES	NO	N/A
B1.	Are you aware of defects in the roof?	☐	☒	☐
B2.	Are you aware of defects in the electrical system?	☐	☒	☐
B3.	Are you aware of defects in part of the plumbing system?	☐	☒	☐
B4.	Are you aware of defects in the heating and air conditioning system (including the air filters and humidifiers), fire safety, security or lighting?	☐	☒	☐
B5.	Are you aware of defects in the basement or foundation (including cracks, seepage, and bulges)?	☐	☒	☐
B6.	Are you aware of defects in any structure or structural components on the property (including walls)?	☐	☒	☐
B7.	Are you aware of defects in mechanical equipment included in the sale either as fixtures or personal property?	☐	☒	☐
B8.	Are you aware of rented items located on the property or items affixed to or closely associated with the property?	☒	☐	☐

B9. Explanation of "yes" responses B8 Network Professionals towers on roof.

C. ENVIRONMENTAL

		YES	NO	N/A
C1.	Are you aware of the presence of unsafe levels of mold?	☐	☒	☐
C2.	Are you aware of a defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the property, lead in paint, lead in soil, pesticides, or other potentially hazardous or toxic substances on the property?	☐	☒	☐
C3.	Are you aware of the presence of asbestos or asbestos-containing materials on the property?	☐	☒	☐
C4.	Are you aware of the 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?	☐	☒	☐
C5.	Are you aware of current or previous termite, powder post beetle, or carpenter ant infestations or defects caused by animal, reptile, or insect infestations?	☐	☒	☐
C6.	Are you aware of water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead?	☐	☒	☐
C7.	Are you aware of the manufacture of methamphetamine or other hazardous or toxic substances on the property?	☐	☒	☐
C8.	Are you aware of governmental investigation or private assessment/audit (of environmental matters) ever being conducted?	☐	☒	☐

C9. Explanation of "yes" responses ______________________________

D. STORAGE TANKS

		YES	NO	N/A
D1.	Are you aware of underground or aboveground fuel storage tanks on or previously located on the property for storage of flammable or combustible liquids, including but not limited to gasoline and heating oil?	☐	☒	☐
D2.	Are you aware of defects in the underground or aboveground fuel storage tanks on or previously located on the property?	☐	☒	☐

D3. Explanation of "yes" responses ______________________________

E. TAXES, SPECIAL ASSESSMENTS, PERMITS, ETC.

		YES	NO	N/A
E1.	Have you received notice of property tax increases, other than normal annual increases, or are you aware of a pending property reassessment?	☐	☒	☐
E2.	Are you aware that remodeling was done that may increase the property's assessed value?	☐	☒	☐
E3.	Are you aware of pending special assessments?	☐	☒	☐
E4.	Are you aware that the property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district?	☐	☒	☐
E5.	Are you aware of any proposed construction of a public project that may affect the use of the property?	☐	☒	☐
E6.	Are you aware of any remodeling, replacements, or repairs affecting the property's structure or mechanical systems that were done or additions to this property that were made during your period of ownership without the required permits?	☐	☒	☐
E7.	Are you aware of any land division involving the property for which a required state or local permit was not obtained?	☐	☒	☐

E8. Explanation of "yes" responses ______________________________

F. LAND USE

		YES	NO	N/A
F1.	Are you aware of any zoning code violations with respect to the property?	☐	☒	☐
F2.	Are you aware of the property or any portion of the property being located in a floodplain, wetland, or shoreland zoning area, or of flooding, drainage problems, standing water or other water problems affecting the property?	☐	☒	☐
F3.	Are you aware of nonconforming uses of the property or nonconforming structures on the property?	☐	☒	☐
F4.	Are you aware of conservation easements on the property?	☐	☒	☐
F5.	Are you aware of restrictive covenants or deed restrictions on the property?	☒	☐	☐
F6.	Are you aware of nonowners having rights to use part of the property, including, but not limited to, rights-of-way and easements other than recorded utility easements?	☐	☒	☐

		YES	NO	N/A
F7.	Are you aware of the property being subject to a mitigation plan required under administrative rules of the Wisconsin Department of Natural Resources related to county shoreland zoning ordinances?	☐	☒	☐
F8.	Use Value.			
	a. Are you aware of all or part of the property having been assessed as agricultural land under Wis. Stat. s. 70.32 (2r) (use value assessment)?	☐	☒	☐
	b. Are you aware of the property having been assessed a use-value assessment conversion charge relating to this property? (Wis. Stat. s. 74.485 (2))	☐	☒	☐
	c. Are you aware of the payment of a use-value assessment conversion charge having been deferred relating to this property? (Wis. Stat. s. 74.485 (4))	☐	☒	☐
F9.	Is all or part of the property subject to or in violation of a farmland preservation agreement?	☐	☒	☐
F10.	Is all or part of the property subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program?	☐	☒	☐
F11.	Are you aware of a dam that is totally or partially located on the property or that an ownership in a dam that is not located on the property will be transferred with the property because it is owned collectively by members of a homeowners' association, lake district, or similar group? (If "yes," contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.)	☐	☒	☐
F12.	Are you aware of boundary or lot line disputes, encroachments, or encumbrances affecting the property?	☐	☒	☐
F13.	Are you aware there is not legal access to the property?	☐	☒	☐
F14.	Are you aware of federal, state, or local regulations requiring repairs, alterations, or corrections of an existing condition? This may include items such as orders to correct building code violations.	☐	☒	☐
F15.	Are you aware of a pier attached to the property that is not in compliance with state or local pier regulations? See http://dnr.wi.gov/topic/waterways for more information.	☐	☒	☐
F16.	Are you aware of one or more burial sites or archeological artifacts on the property? (For information regarding the presence, preservation, and potential disturbance of burial sites, contact the Wisconsin Historical Society at 800-342-7834 or www.wihist.org/burial-information).	☐	☒	☐

F17. Explanation of "yes" responses F5. City of Wausau

G. ADDITIONAL INFORMATION

		YES	NO	N/A
G1.	Are you aware of a structure on the property that is designated as a historic building or that all or any part of the property is in a historic district?	☐	☒	☐
G2.	Are you aware of any agreements that bind subsequent owners of the property, such as a lease agreement or an extension of credit from an electric cooperative?	☒	☐	☐
G3.	Are you aware of defects in a well on the property or in a well that serves the property, including unsafe well water?	☐	☒	☐
G4.	Are you aware of a joint well serving the property including any defect related to a joint well serving the property?	☐	☒	☐
G5.	Are you aware that a septic system or other private sanitary disposal system serves the property including defects in the septic system or other private sanitary disposal system on the property or any out-of-service septic system that serves the property and that is not closed or abandoned according to applicable regulations?	☐	☒	☐
G6.	Are you aware of an "LP" tank on the property, including defects? (If "yes," specify in the additional information space whether the owner of the property either owns or leases the tank.)	☐	☒	☐
G7.	Are you aware of material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides?	☐	☒	☐
G8.	Are you aware of nearby airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property?	☐	☒	☐
G9.	Are you aware of any shared usages such as shared fences, walls, driveways, or signage, or any defect relating to the shared use?	☐	☒	☐
G10.	Are you aware of leased parking?	☐	☒	☐
G11.	Are you aware of other defects affecting the property?	☐	☒	☐

G12. The owner has owned the property for 84 years.

G13. Explanation of "yes" responses G2. Lease agreement

Note: Any sales contract provision requiring inspection of a residential dumbwaiter or elevator must be performed by a state-licensed elevator inspector.

OWNER'S CERTIFICATION

The owner certifies that the information in this report is true and correct to the best of the owner's knowledge as of the date on which the owner signs this report.

Entity Name (if any): Cannistra Properties LLC

Name & Title of Authorized Representative Signing for Entity: Mary T. Cannistra Member

Authorized Signature for Entity: Mary T. Cannistra Date 6/30/2021

Owner Charles T. Cannistra Date 6/30/2021

Owner ______ Date ______

Owner ______ Date ______

Owner ______ Date ______

Owner ______ Date ______

CERTIFICATION BY PERSON SUPPLYING INFORMATION

A person other than the owner certifies that the person supplied information on which the owner relied for this report and that the information is true and correct to the best of the person's knowledge as of the date on which the person signs this report.

Person ______ Items ______ Date ______

Person ______ Items ______ Date ______

BUYER'S ACKNOWLEDGEMENT

The prospective buyer acknowledges that technical knowledge such as that acquired by professional inspectors may be required to detect certain defects such as the presence of asbestos, building code violations, and floodplain status.

I acknowledge receipt of a copy of this statement.

X Entity Name (if any): Quality Time Custom Fit Linens

Name & Title of Authorized Representative Signing for Entity: ______

Authorized Signature for Entity: ______ Date ______

X Prospective buyer Mao Mona Date 7/6/21

X Prospective buyer May Moua Date 7/6/21

Prospective buyer ______ Date ______

Prospective buyer ______ Date ______

Prospective buyer ______ Date ______

Independent Contractor Agreement

THIS AGREEMENT, effective June 21, 2021, is entered into between Mayor Katie Rosenberg, City of Wausau (Client), and Elizabeth Knight, d.b.a. Aplomb PR (Independent Contractor).

WHEREAS, Client wishes to enter into this Agreement for the non-exclusive services of Independent Contractor upon the terms and conditions set forth below; and,

WHEREAS, Independent Contractor wishes to enter into this Agreement for the non-exclusive retention of their services upon the terms and conditions set forth below:

Professional Terms

1. All communications materials developed by Independent Contractor in the performance of this Agreement will become the property of Client.
2. Errors and omissions: It is the Client's responsibility to check proofs carefully for accuracy in all respects, ranging from spelling to technical illustrations. Independent Contractor is not liable for errors or omissions on work that is approved by Client.

Scope of Work

Client wishes to retain Independent Contractor's services for the following:

> Management and creative direction of Wausome Facebook page, including campaign strategy, post creation and execution, responding to messages, and professional design of supporting social images. Goal is to create at least 3 posts per week, but this will likely be more as events/news warrant.

Timeline

Project to begin upon acceptance of this agreement, with development of tactics and implementation through September 6, 2021.

Payment Terms

Client agrees to pay Independent Contractor a fee as follows:

$1,000

This fee includes creative development of assets and project management of all strategies and tactics as outlined in the scope of work.

Upon acceptance of this proposal, an invoice for 100% of the payment terms will be provided with payment requested within 30 days.

For Aplomb PR:

Elizabeth Knight

Elizabeth Knight

June 21, 2021

For City of Wausau:

____

Mayor Katie Rosenberg

Date: _______________________

Aplomb PR

Invoice

Aplomb PR
Elizabeth Knight
808 S. 12th Street
Wausau, WI 54403

CLIENT

City of Wausau
Attn: Mayor Katie Rosenberg
407 Grant Street
Wausau, WI 54403

Date: 6/21/2021
Invoice Number: INV-2120

Project Summary

Wausome Summer Social Strategy + Execution	*$1,000.00*

Total	**$1,000.00**

Independent Contractor Agreement

THIS AGREEMENT, effective September 11, 2020, is entered into between Sean Fitzgerald, City of Wausau (Client), and Elizabeth Knight, d.b.a. Aplomb PR (Independent Contractor).

WHEREAS, Client wishes to enter into this Agreement for the non-exclusive services of Independent Contractor upon the terms and conditions set forth below; and,

WHEREAS, Independent Contractor wishes to enter into this Agreement for the non-exclusive retention of their services upon the terms and conditions set forth below:

Professional Terms

1. All communications materials developed by Independent Contractor in the performance of this Agreement will become the property of Client.
2. Errors and omissions: It is the Client's responsibility to check proofs carefully for accuracy in all respects, ranging from spelling to technical illustrations. Independent Contractor is not liable for errors or omissions on work that is approved by Client.

Scope of Work

Client wishes to retain Independent Contractor's services for the following:

Q4 2020 marketing campaign

- See Appendix A for scope of work.

Timeline

Project to begin upon acceptance of this agreement, with development of tactics and implementation through December 31, 2020.

Payment Terms

Client agrees to pay Independent Contractor a fee as follows:

$3,500.00

This fee includes creative development of assets and project management of all strategies and tactics as outlined in the scope of work.

Upon acceptance of this proposal, an invoice for 100% of the payment terms will be provided on October 1, 2020, with payment requested within 30 days.

For Aplomb PR:

Elizabeth Knight

Elizabeth Knight
September 11, 2020

For City of Wausau.

Sean Fitzgerald

Sean Fitzgerald
Date: 10.14.2020

Appendix A - Scope of work

Client wishes to retain Independent Contractor's services for execution of the following projects:

Project 1: Wausome social media campaign
Project 2: Submit your own Wausome story campaign

Project 1 tactics: Social media campaign

Management and creative direction of Wausome Facebook page, including campaign strategy, post creation and execution, responding to messages, and professional design of supporting images. Goal is to create at least 3 posts per week, but this will likely be more as events/news warrant.

Project 2 tactics: Submit your own Wausome story campaign

Relaunch campaign to solicit user-generated My Wausome stories

Produce 3 new Wausome feature stories (goal is to release one in October, November, and early December). Interview and prepare content, solicit images, design appropriate banners, and provide to city staff for posting to Wausome website.

Promote stories across multiple channels (social, website, friends of Wausome campaign)

A summary of the campaign will also be prepared and presented to the Economic Development Committee at their December 2020 or January 2021 meeting.

Office of the Mayor
Robert B. Mielke

WAUSAU
WISCONSIN

TEL: (715) 261-6800
FAX: (715) 261-6808

November 17, 2017

Dear Interested Parties,

The City of Wausau is pleased to request proposals for marketing and communications services to support redevelopment and community/economic development programs of the City in 2018.

This RFP is to select a firm(s) or organization(s) who may support a broad set of City activities including building awareness of City redevelopment projects, improving understanding of existing and new programs, building upon the existing wausome.org campaign, enhancing City social media and public outreach, leading strategic discussions, and assisting with initiatives which may result from these strategic discussions.

A final set of deliverables and contract amount will be determined based on the proposal and a workplan determined with the selected firm(s). The City's expected marketing budget for this effort for 2018 is approximately $20,000.

Event	Date
1. RFP Released	November 17, 2017
2. Proposals for Services Due	December 1, 2017
4. Review of Proposals (tentative)	December 5, 2017

Questions and/or interested in additional information on the RFP and the City of Wausau should be submitted in writing by contacting:

Christian Schock, christian.schock@ci.wausau.wi.us

Sincerely,

Robert B Mielke

Robert B. Mielke
Mayor

Proposal Requirements

1. **Summary:** Describe the professional qualifications and expertise in the field of strategic visioning, community involvement, social media, graphic communications, media engagement/purchasing/placement, and other general and community engagement marketing efforts.

2. **Approach:** What are some of the proposed ways you would assist the City in improving strategic communication, brand identity and community involvement to support the City's development goals?

Evaluation Criteria

Weighting of criteria is used by the City as a tool in selecting the best proposal. The City may change criteria and criteria weights at any time. Evaluation scores or rankings do not create any right or expectation of a contract award. Background checks and references may also be considered.

The following elements will be the primary considerations in evaluating all submitted proposals and in the selection of a marketing consultant (out of a total of 100):

Proposer has a track record of developing successful strategic programs and supporting community efforts for a variety of clients.

50 Points

Proposal presents potential approaches which are innovative, pragmatic and interesting ways to support the City's development goals and programs through marketing.

50 Points

Submission Information

Proposals shall meet the following criteria:

1. Proposals shall be prepared on standard 8 1/2" X 11" letter-size paper;
2. Email digital copy of proposal to christian.schock@ci.wausau.wi.us by 4:30pm on December 1, 2017.

The City of Wausau reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any potential proposer.
- Award a contract on the basis of initial offers received, without discussions or requests for best and final offers.
- Split the contract for marketing services among a variety of firm(s) based on their skills and expertise; and negotiate separate contracts for each.
- Negotiate a final workplan, deliverables and budget, which will be reviewed by the Economic Development Committee in consultation with the City administration and staff.

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Tuesday, December 5, 2017 @ 5:30 pm., Council Chambers

Economic Development Members Present: Neal (C), Rasmussen, Gehin & Peckham.
Others Present: Schock, Plaisance, Sippel, Jacobson & Mielke.

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

The Economic Development Committee meeting was called to order by Chairperson Neal at 5:30 pm.

Approval of the Minutes from 11/16/17

Peckham commented that there was no response written to Rasmussen's question regarding if the note to the foundation would need to be paid off immediately from the purchase of that land by the City or if we could continue to make payments until it was paid off. Schock replied that he had talked to the Foundation and we could continue paying off as we have been. This will be fixed in the 11/16/17 minutes.

Motion by Rasmussen, second by Wagner to approve minutes once the above change is made. Motion passed 5-0

Discussion and Possible Action on the Disposition Strategy for Thomas Street Properties.

This discussion has happened in the past and we are now at a point where we can start analyzing the next steps.

Sippel presented research on the 28 parcels along Thomas Street that could potentially be redeveloped. The map indicates that the blue parcels include storm water after the new right of way. There are six narrow or oddly shaped lots that could possibly be combined with other properties.

Neal asked Sippel if there are any specific properties that should be RFP versus a bid. Schock believes we should take all parcels to an open RFP so that the developers see the vision of combining the properties. Neal also questioned if the City could retain any of the oddly shaped properties for amenities. Sippel thinks that we could wait and with the properties left over we could make green space and/or amenities. Rasmussen commented that historically the bidding process included current property owners to see if they were interested in adjacent properties. She believes the TID money that we can use for these properties brings in higher tax and land use. Alternative commercial or mixed use buildings on the developable sites would be what we owe the taxpayers. She also asked about the timeline of the RFP process and believes we should move ahead with the bid process because it is faster and we could ask them to give us the end use and process of their parcel. If there are no acceptable bids after the deadline we could move to an RFP and open the communication channel to potentially interested developers. Wagner then asked about the properties on Sherman Street from years ago and how many we had left. His suggestion was asking the homeowner if we could "give the adjacent land to them" when an oddly shaped or undeveloped parcel. He would like to figure out a way to get people (developers or current owners) to see the vision of combining the parcels. Peckham also wants the wording of the RFP to be reviewed and encourage creative combinations of adjacent properties that the city does not own. Schock replied that there are a lot of semantics and the RFP could be a shorter, simplified process by asking for their intended use/vision to start with. He also asked the committee who should review the submissions and when they should be brought back to ED for recommendations and then CISM and Public Works. Peckham asked what the timeline would be for the streamlined RFP, with an answer of 4-6 weeks submission deadline. Rasmussen believes we should run the RFP until the end of January and then bring it back to the February 6th ED meeting. ED will retain the decision making control because of the mission when looking at the use of land. Neal then asked Sippel if any of the other surrounding parcels were for sale currently because if they are they may look more attractive to combine them. All committee members believe the RFP process should be streamlined and enhanced with the map of for sale properties and that we should exhaust all options at the next ED meeting.

Motion made by Rasmussen, second by Peckham to pursue the RFP process and agrees that there should be a discussion at the next ED meeting on Sherman Street and 17th Avenue - Motion passed 5-0.

Discussion and Possible Action on the Proposed Cooperative Request for Proposals for the Properties at 2220-2222 and 2202 Grand Avenue.

The Community Development Department is currently working with the land owners of these properties on a Cooperative RFP process which makes it available to combine the parcels. The owners have formally approved the release of the RFP in which they will review all submissions in the beginning of February. There has been some interest in these specific properties already.

Peckham appreciates Schock's work in this process and believes this will benefit the neighborhood and the City as a whole. Wagner questioned if this was a service that we are now offering. Schock replied that the City invented this Cooperative RFP process so that we could help the owners look at potential development possibilities and help market the sale and development in a more friendly way. Rasmussen agrees with Schock and thinks that with us helping with the redevelopment visions will certainly help these high visibility areas, such as this specific corner.

Motion made by Rasmussen, second by Peckham to move ahead with the Cooperative RFP. Motion passed 5-0.

Discussion and Possible Action on the Proposals Received for the 2018 Economic Development Marketing Plan.

Community Development has received four proposals for the broad marketing RFP. The goal is to suggest potential ideas and implementations for 2018.

Neal was glad to see four responses and found them all as more of introductory pieces with no specific economic development details, targeting and/or tactics. Peckham thinks CD should pick two and get more detailed information. He would like to see a detailed response including expectations, missions, results, etc. Wagner has the same thoughts and wants to know how they compete for us and how we evaluate them. Rasmussen is also glad to see the number of proposals and sees a good diversity in the offerings. She is excited to see the social media and online aspect and thinks that by embracing our local public access channel we can showcase the uniqueness of the community. Neal agrees, he wants to see the Economic Development aspect of marketing and wants to create the buzz to enhance our community's economy. Rasmussen believes these strategic marketing ideas can act in unison and they can both initiate the brand of Wausau both commercially and work force related. Peckham had a question on what marketing we are doing with Aplomb versus the marketing we are currently talking about. Schock explained that Aplomb was more of an external marketing and this strategy would be more internal. He believes there's rational to do both. Rasmussen also added that there is different messaging to business owners, employees and the community as a whole. These projects can work parallel and we need to work with different people sourcing, age differences, interests, etc. Neal agrees and believes we need a rich outreach to a range of audiences and Rasmussen added that we need to showcase things we have to do here for all of these audiences when they are not at work.

Motion made by Wagner, second by Peckham to move forward with Neal's assistance on strategy and achievement evaluations to be brought back to the next meeting. Motion passed 5-0.

Special Instructions or Directives to Staff:

Schock relayed that Sara M. will send an email out to the committee to see if a meeting will need to be held on December 21st. Sara will also send out options for the January meeting, as the schedule date is January 2nd and Chris will not be here.

Motion by Peckham, second by Gehin to adjourn the meeting. Motion passed 5-0.

Adjournment Time: 6:22 p.m.

ECONOMIC DEVELOPMENT COMMITTEE
Date and Time: Thursday, January 18, 2018 @ 5:30 pm., Council Chambers

Economic Development Members Present: Neal (C), Rasmussen, Gehin, Wagner & Peckham.
Others Present: Schock, Mielke, Jacobson & Plaisance.
Other Council Members Present: Gisselman, Smith and Kellbach

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

The Economic Development Committee meeting was called to order by Chairperson Neal at 5:30 pm.

Approval of Minutes from 11/16/17, 12/5/17 and 12/21/17

Motion by Gehin, second by Peckham to approve all minutes. Motion passed 5-0.

Discussion and Possible Action on Redevelopment Options Related to a Proposed Cinema Theater and developer Partners at 411 Washington Street (Sears)

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session:

➔ Discussion and Possible Action on Redevelopment Options Related to a Proposed Cinema Theater and developer Partners at 411 Washington Street (Sears)

ROLL CALL VOTE – Neal, Peckham, Rasmussen, Wagner and Gehin.

Motion made by Rasmussen, second by Wagner to go into a closed session. Motion passed 5-0.

Motion made by Peckham, second by Gehin to go back into Open Session. Motion passed 5-0.

RECONVENE INTO OPEN SESSION, if necessary

Wagner stated that after receiving a proposal from Compass Properties for the cinema development of the Sears property he moves to direct city staff to work with them to bring the Council a formal proposal.

Motion made by Wagner, second by Peckham. Motion passed 5-0.

Discussion and Possible Action on the Phase 2 Proposals for the City of Wausau Marketing and Awareness Project

Neal stated that after receiving additional follow up information from the RFP respondents there are two proposals to decide on.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session:

➔ Discussion and Possible Action on the Phase 2 Proposals for the City of Wausau Marketing and Awareness Project

ROLL CALL VOTE – Neal, Peckham, Rasmussen, Wagner and Gehin.

Motion made by Rasmussen, second by Wagner to go into a closed session. Motion passed 5-0.

Motion made by Peckham, second by Gehin to go back into Open Session. Motion passed 5-0.

RECONVENE INTO OPEN SESSION, if necessary

Neal thanked the responding agencies that came back after the initial responses. After discussion in closed session the committee was happy with the results from both respondents.

Rasmussen made the motion to accept the proposal from Aplomb PR and Neal added that their proposal was very on-point, had good detail and a substantial achievement. He thought it was a good starting point and suggested the possible potential for a synergy with the other business that sent in their responding proposal for asset development and cost effective messaging.

Motion made by Rasmussen, second by Gehin. Motion passed 5-0.

Discussion and Possible Action on Item#2 of the Third Amendment to the Development Agreement for the Property at 1300 River Drive.

Schock presented that the WOW's (Wausau on Water) development agreement included the mural discussion and production and was recently taken to the Planning Committee to be heavily debated. The plan was formerly approved by the Planning Committee but not the Council. This subject was brought to the ED Committee to discuss the next steps, including whether or not a new Public Arts Commission should be created by Council.

Rasmussen talked about the history of the project and mentioned that this was the first project completed on the Riverfront. The murals were presented on the original design plan and were supposed to sell the uniqueness of the project. She explained that government has oversite on what is being done and this was project was originally approved by the ED Committee, so she felt that it should stay with the ED Committee and be delivered on as promised. Peckham agreed that the Planning Committee didn't have the background of this project to be making specific decisions.

Peckham agreed that the murals are an artistic enhancement and brought up that WOW's thoughts were that they used local photos inside and they didn't want to repeat them outside, but he agrees that we expected more and we need to be open-minded.

Wagner stated that he would not have agreed on a metal building if this was going to be the outcome and suggested that they work with the historical society.

Neal agrees and wants the process to move forward, while Gehin thinks that Mr. Greenwood should be at the next meeting to continue the dialogue. Schock thinks we should tell him that he needs to present renderings at the next meeting and Rasmussen agrees that he can present alternative plans but a compromise needs to be worked out and followed up on.

No action taken.

Special Instructions or Directives to Staff:

None

Motion by Peckham, second by Gehin to adjourn the meeting. Motion passed 5-0.

Adjournment Time: 7:05 p.m.

Office of the Mayor
Robert B. Mielke

WAUSAU
WISCONSIN

TEL: (715) 261-6800
FAX: (715) 261-6808

December 19, 2018

Dear Interested Parties,

The City of Wausau is pleased to request proposals for marketing and communications services to support redevelopment and community/economic development programs of the City in 2019.

This RFP is to select a firm(s) or organization(s) who may support a broad set of City activities including building awareness of City redevelopment projects, improving understanding of existing and new programs, building upon the existing wausome.org campaign, enhancing City social media and public outreach, leading strategic discussions, and assisting with initiatives which may result from these strategic discussions.

A final set of deliverables and contract amount will be determined based on the proposal and a work plan determined with the selected firm(s). The City's expected marketing budget for this effort for 2019 is approximately $15,000.

Event	Date
1. RFP Released	December 19, 2018
2. Proposals for Services Due	January 25, 2019
4. Review of Proposals (tentative)	February 5, 2019

Questions and/or requests for additional information on the RFP and the City of Wausau should be submitted in writing by contacting:

Christian Schock, christian.schock@ci.wausau.wi.us

Sincerely,

Robert B. Mielke

Robert B. Mielke
Mayor

407 Grant Street – Wausau, WI 54403

Proposal Requirements

1. **Summary:** Describe the professional qualifications and expertise in the field of strategic visioning, community involvement, social media, graphic communications, media engagement/purchasing/placement, and other general and community engagement marketing efforts.

2. **Approach:** What are some of the proposed ways you would assist the City in improving strategic communication, brand identity, and community involvement to support the City's development goals?

Evaluation Criteria

Weighting of criteria is used by the City as a tool in selecting the best proposal. The City may change criteria and criteria weights at any time. Evaluation scores or rankings do not create any right or expectation of a contract award. Background checks and references may also be considered.

The following elements will be the primary considerations in evaluating all submitted proposals and in the selection of a marketing consultant (out of a total of 100):

Proposer has a track record of developing successful strategic programs and supporting community efforts for a variety of clients- especially municipalities and nonprofit organizations.
50 Points
Proposal presents potential approaches which are innovative, pragmatic and interesting ways to support the City's development goals and programs through marketing.
50 Points

Submission Information

Proposals shall meet the following criteria:

1. Proposals shall be prepared on standard 8 1/2" X 11" letter-size paper;
2. Email digital copy of proposal to christian.schock@ci.wausau.wi.us by 4:30 p.m. on January 25, 2019.

The City of Wausau reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any potential proposer.
- Award a contract on the basis of initial offers received, without discussions or requests for best and final offers.
- Split the contract for marketing services among a variety of firm(s) based on their skills and expertise; and negotiate separate contracts for each.
- Negotiate a final work plan, deliverables and budget, which will be reviewed by the Economic Development Committee in consultation with the City administration and staff.

ECONOMIC DEVELOPMENT COMMITTEE

Date and Time: Wednesday, February 20th, 2019 at 5:15 p.m., Council Chambers

Economic Development Members Present: Tom Neal, Lisa Rasmussen, Gary Gisselman, Pat Peckham and Michael Martens
Others Present: Christian Schock, Mayor Robert Mielke, Anne Jacobson and Terra Plaisance
Other Council Members Present:

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

The Economic Development Committee meeting was called to order by Neal at 5:15 pm.

Approval of the Minutes from 01/03/2019.

Changes were made prior to meeting from Rasmussen and Peckham's email suggestion of revisions. Revisions were sent out to committee prior to meeting.

Motion by Peckham, second by Martens to approve minutes with above changes made. Motion passed 4-0 (Rasmussen was not at meeting yet.)

Discussion and Possible Action on the Proposals Received for Economic Development Marketing.
Neal asked Schock to briefly summarize what the committee should be looking for out of these proposals as they go into closed session to collaborate. Schock replied that the City is looking for proactive marketing with a unique approach. The engagement is important but at a competitive cost. Schock expressed that we aren't looking for the typical brochure advertising, we need more relevant and creative styles with an interactive approach. Neal agrees and reminds the committee to think about how our message is getting out and engaging with all people.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session:

➔ **Discussion and Possible Action on the Proposals Received for Economic Development Marketing.**

ROLL CALL VOTE – Neal, Rasmussen, Gisselman, Peckham and Martens.
Others Present: Schock, Plaisance, Jacobson and Mielke.

Motion made by Peckham, second by Rasmussen to go into a closed session. Motion passed 5-0.

Motion made by Peckham, second by Martens to go back into Open Session. Motion passed 5-0.

RECONVENE INTO OPEN SESSION, if necessary

Open Session Action on Closed Session item(s):
Rasmussen believes in the dynamic approach that Aplomb PR has and is happy with the current results. The committee would like to see a deeper dive into the video production, social media advertising and outreach. She also believes that by accepting the current marketing company's proposal there will be less training and rebranding. Marten agrees and believes 2018's marketing plan was on a great track and now we can move further and deeper. Neal also believes that the 2018 marketing has shown great results and would like to evolve and enhance in 2019 with our limited budget.

Motion by Rasmussen, second by Martens to approve Aplomb PR's marketing proposal for 2019. They encourage staff to discuss specific areas in which they believe are the most measurable and effective. Motion passed 5-0.

Discussion and Possible Action on the Potential Towers Area Plan and Market Study Request for Proposals (RFP).
Schock explains that this is a new topic and there are resources budgeted for parking improvements on the Catholic block. Second Street is being redone which will include perpendicular parking and a green space. Staff has been discussing all of the changes including the surrounding areas, such as; the Graebel building, YMCA/Aspirus and 120 Scott Street. The market study will define these areas, as we are calling them the Towers area, but will not include the mall or 400 block downtown area. This is a simple market analysis, not extensive, but staff is interested to see what could come out of it and what the parking demand would look like whether it be ramp or street parking. This study will educate the City in multiple areas and but is very limited in scope. Rasmussen mentioned that in past meetings this discussion started with the Dudley Tower and

MINUTES

Economic Development Committee

Tuesday, February 2, 2021 at 5:15 P.M. | Neal at 5:22 P.M.

In Attendance

Committee Members Present:	Tom Neal (chair), Lisa Rasmussen (webex), Sarah Watson (webex), Becky McElhaney (webex) and Tom Kilian
Others Present:	Mayor Katie Rosenberg, Sean Fitzgerald, Patrick Peckham (webex), Brad Lenz (webex), MaryAnne Groat (webex), Dawn Herbst, Shannon Graff, Debra Ryan (webex), Bruce Grau, Gary Gisselman, Brad Sippel (webex), Fay Harder (webex), Nathan Miller, Jason Blenker (webex)

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 01/05/21

Motion by Rasmussen, second by Watson to approve the minutes. Motion passed 5-0.

Agenda Item #2 – Overview of 2020 Wausome campaign metrics from Elizabeth Knight of Aplomb PR.

Knight discusses the progress of the Wausome campaign which is a campaign to position the city as an ideal place to live. She stated there was no formal RFP put out in 2020 however, the campaign did actively market in the 4th quarter with favorable results. Wausome released three stories in October, November and December 2020. Knight highlighted how many people the campaign reached which spiked when stories were released. Knight stated 4th quarter traffic quadrupled from 3rd quarter and this was without paid advertising.

Kilian asked if the committee could receive a geographical breakdown of where the hits from the site are coming from. Knight responded in 2019 they did do paid advertising in larger metro areas primarily through Facebook but because they didn't do any paid advertising this year, she did not include the geographical breakdown in her reports for this year.

Kilian also asked if there could be a success metric to give us a measureable idea of an action being initiated by the campaign. Knight responded that they could build something in to track why people are reaching out.

Agenda Item #3 – Discussion and possible action on an amendment to the 2017 Blenker River East Brownstones Development Agreement for Short Street properties.

Fitzgerald review the amendment to the development agreement as presented in the packet. No discussion pertaining to the amendment from the committee.

Motion by Rasmussen, second by Kilian to approve the amendment. Motion passes 5-0.

10/30/20

DEVELOPMENT AGREEMENT
(Riverlife – Phase II)

THIS DEVELOPMENT AGREEMENT (Riverlife – Phase II) (this "Agreement") is made as of October 30, 2020 (the "Effective Date"), by and between the CITY OF WAUSAU, a Wisconsin municipal corporation (the "City"), and RIVERLIFE CONDOS, LLC, a Wisconsin limited liability company ("Developer").

RECITALS

WHEREAS, the City and an affiliate of Developer, Riverlife Wausau LLC, a Wisconsin limited liability company (the "Phase I Developer"), entered into that certain Development Agreement (Riverlife – Phase I) with an Effective Date of June 28, 2019 (the "Phase I Development Agreement"), with respect to certain real property in the City of Wausau, County of Marathon, State of Wisconsin, which is more particularly described in the Phase I Development Agreement (the "Phase I Property"), on which the Phase I Developer is constructing a residential apartment building in accordance with the Phase I Development Agreement (the "Phase I Project"); and

WHEREAS, the City is the owner of certain other real property in the City of Wausau, County of Marathon, State of Wisconsin, being legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, pursuant to Section 3.l. of the Phase I Development Agreement, Developer prepared a project proposal for the Property, dated January 7, 2020 (the "Proposal"), which was reviewed and approved by the City's Plan Commission, the City's Economic Development Committee and the City's Common Council; and

WHEREAS, the Property is in an area governed by the Riverfront Declaration (defined below); and

WHEREAS, the City has, pursuant to the authority granted in Wisconsin Statutes, Section 66.1105, created two Tax Incremental Districts, the City of Wausau Tax Increment District Three and the City of Wausau Tax Increment District Twelve (collectively, the "TID"), and adopted a Project Plan for each district (collectively and as amended, the "TID Plan") to finance certain costs to induce development within or around the TID; and

WHEREAS, in order to achieve the objectives of the TID Plan and to make the land within the TID available for development by private enterprises for and in accordance with the uses specified in the TID Plan, the City has determined to provide assistance through grants from the TID and other actions, as hereinafter set forth, to permit development to proceed; and

WHEREAS, Developer has proposed a development, as hereinafter described, within the TID and located on the Property; and

WHEREAS, in connection with such development, Developer desires to purchase the Property as determined in accordance with the terms and conditions of this Agreement; and

WHEREAS, Developer's ability to develop the Property requires certain financial incentives from the City as set forth herein; and

WHEREAS, the City has determined that the proposed development by Developer (i) will promote and carry out the development objectives of the City, (ii) furthers the purposes of the TID Plan, and (iii) would not occur at the Property without the assistance of the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

a. "Agreement" is defined in the introductory paragraph to this Agreement.

b. "Annual Tax Increment" means, for any given year, the annual gross tax increment revenues (over the base year tax liability) paid and actually received by the City which is generated by property tax payments on the Property (including all Condo Units) for any such year. The base year for such tax increment revenues calculation shall be 2020 (based on the assessed value of the Property on January 1, 2020).

c. "Assessed Value" is defined in Section 2.d below.

d. "Building" means the residential multifamily condominium building to be constructed on the Property in accordance with the Plans and in substantial conformity with the Proposal (defined below).

e. "City" is defined in the introductory paragraph of this Agreement.

f. "Closing" means the execution of the sale and conveyance of the Property to Developer in exchange for the Purchase Price, as contemplated by and subject to the terms and conditions of this Agreement.

g. "Closing Date" means the date that Closing occurs, which shall be a date mutually agreed to by the City and Developer but in no event shall the date be later than the Closing Deadline.

h. "Closing Deadline" means the date that is thirty (30) days prior to the Project Commencement Deadline.

i. "Condominium Documents" means the formation and governing documents which create and govern the Condo Units and the Condo Unit Owners as a condominium regime under Wisconsin law, including, without limitation, the condominium plat, the condominium declaration, and the bylaws of the condominium association.

j. "Condo Unit" means each individual condominium unit within the Building whether owned by Developer or sold to a third party by Developer.

k. "Condo Unit Owners" means all owners of a Condo Unit other than Developer.

l. "Deed" means a special warranty deed of the Property from the City to Developer.

m. "Default" is defined in Section 6 below.

n. "Developer" is defined in the introductory paragraph to this Agreement.

o. "Due Diligence Period" means the time period commencing on the Effective Date and terminating on the day of Closing.

p. "Effective Date" is defined in the introductory paragraph of this Agreement.

q. "Memorandum" means a short form memorandum of this Agreement recorded in the real estate records against the Property. The parties agree that the form of memorandum attached hereto as Exhibit B is acceptable to both parties.

r. "Minimum Combined Appraised Value" means the combined appraised value of the Phase I Project and the Project, which shall equal at least $14,000,000.

s. "Minimum Construction Cost" means at least Five Million Dollars ($5,000,000.00).

t. "Phase I Developer" is defined in the Recitals above.

u. "Phase I Development Agreement" is defined in the Recitals above.

v. "Phase I Project" is defined in the Recitals above.

w. "Phase I Property" is defined in the Recitals above.

x. "Plans" means final detailed plans and specifications for the Project (including the condominium plat) in form and substance acceptable to the City, which shall include, without limitation, the following: all improvements now located or to be located on the Property, the footprint of all improvements and the square footage of all improvements, all easements, pathways, exterior boundary lines, walkways, parking and circulation areas, adjoining public streets and alleys, utilities, exits and entrances, all signage, sidewalks, landscaping, all materials to be used in construction of the Building, all common area interior finishes, exterior finishes, building sections, description of room and space sizes, plan arrangement of rooms and functional spaces, exterior elevations, the stacking of floors and all construction elements, a narrative description of all structural systems, mechanical systems, electrical systems and any specialty systems. The Plans shall also include a detailed landscaping plan. Notwithstanding the foregoing, the Developer shall not be obligated to provide in the Plans, and the Plans need not include any interior finishes which a Condo Unit Owner may customize, and Developer shall not be required to restrict the any Condo Unit Owner's or potential Condo Unit Owner's choices for configuration or finishes within the Condo Unit; provided, however, that the Condominium Documents shall require that the Condo Units comply with applicable zoning and building laws, rules, regulations, codes and ordinances.

y. "Project" means the construction of the Building and the additional redevelopment of the Property for the operation of the Building, and construction and installation of all other improvements as may be required in order to comply with applicable zoning (including any applicable Unified Development District zoning ("UDD") requirements) and building laws, rules, regulations, codes and ordinances and in order to develop and operate the Property in substantial conformity with the Plans and the Proposal.

z. "Project Commencement Deadline" means May 31, 2021.

aa. "Project Completion Deadline" means June 30, 2022. The parties agree that the Project will be deemed completed upon occurrence of all of the following: (i) a certificate of occupancy is issued by the appropriate governmental authorities for Project, as applicable; (ii) the Project architect has issued a certificate stating that the portion of the project or the Project, as applicable, have been substantially completed in accordance with the Plans. Nothing contained herein shall require any Condo Units to be sold or occupied in order for the Project to be deemed completed; and (iii) lien-free construction has been achieved and paid for in full (as evidenced by lien waivers from all contractors and subcontractors).

bb. "Project Cost Breakdown" means a current cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, engineering, construction, furnishing, equipping, financing, contingency and all other direct and indirect costs of development, construction and installation of the Project in accordance with the Plans for the Project. The Project Cost Breakdown shall also include the Developer's proposed source of funds for each line-item. The Project Cost Breakdown shall include Condo Unit Owners' build-out costs for each Condo Unit to the extent such costs are counted by Developer towards the Minimum Construction Cost. The Project Cost Breakdown may include Developer's reasonable estimates for improvements within each of the Condo Units that are subject to change based on the decisions of a potential Condo Unit Owner. Developer shall have no obligation to require any Condo Unit Owner to adhere to Developer's estimates provided in the Project Cost Breakdown.

cc. "Property" is defined in the Recitals above.

dd. "Proposal" is defined in the Recitals above. In the event of a conflict between the Proposal and this Agreement, this Agreement shall control.

ee. "Purchase Price" means $1.00.

ff. "Riverfront Declaration" means that certain Declaration of Covenants, Conditions, Restrictions and Easements for Wausau East Riverfront made by the City on August 26, 2020, and recorded in the Office of the Register of Deeds for Marathon County, Wisconsin, as Document Number 1814469.

gg. "Tax Increment Grant" is defined in Section 3.b below.

hh. "Third-Party Lender" means the lender(s) of the Third-Party Loan.

ii. "Third-Party Loan" means the loan(s) from the Third-Party Lender(s) for the purpose of financing the construction costs of the Project and permanent take-out financing, if any, of such construction financing.

jj. "TID" is defined in the Recitals above.

kk. "TID Plan" is defined in the Recitals above.

2. Commitments of Developer. Developer agrees and covenants with the City as follows:

a. *Purchase of the Property.*

i. Subject to the terms and conditions of this Agreement, Developer agrees to purchase the Property in its "AS-IS" condition for the Purchase Price on the Closing Date. The transfer of the Property shall be subject to all matters of record other than monetary liens, including, without limitation, the Riverfront Declaration. Developer agrees that the Memorandum shall be recorded immediately after the Deed and prior to any mortgage. All title fees, transfer fees and recording fees for the purchase shall be at Developer's sole cost and expense.

ii. DEVELOPER ACKNOWLEDGES AND AGREES THAT DEVELOPER HAS HAD AND/OR WILL HAVE SUFFICIENT OPPORTUNITY TO INSPECT THE PROPERTY PRIOR TO CLOSING AND THAT THE CITY IS CONVEYING AND DEVELOPER IS ACCEPTING THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, EXCEPT FOR TITLE. AS A PART OF ITS AGREEMENT TO ACCEPT THE PROPERTY IN ITS "AS IS" CONDITION, DEVELOPER, FOR ITSELF AND ITS SUCCESSORS, ASSIGNS, AGENTS, EMPLOYEES, CONTRACTORS AND INVITEES, HEREBY WAIVES, DISCHARGES AND RELEASES THE CITY FROM ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES WHATSOEVER, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH OR RELATED TO THE PHYSICAL, GEOLOGICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY PAST OR PRESENT CONDITION OF OR ACTION ON OR ABOUT THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS OR TOXIC MATERIAL AT, UNDER OR IN THE GENERAL VICINITY OF THE PROPERTY) OR THE CURRENT OR PREVIOUS VIOLATION OF ENVIRONMENTAL LAWS AT THE PROPERTY, IF ANY; provided, however, that the above release of the City shall not apply to any claims against the City related to fraud, intentional misrepresentation, and the enforcement of this Agreement

iii. As noted above, Developer is taking the Property in its current condition, without any express or implied warranties by the City as to its physical condition. Accordingly, during the Due Diligence Period, Developer shall have the right to complete, at Developer's sole cost, all due diligence activities with respect to the Property and feasibility analysis of the Project desired by Developer (including, without limitation, a title search, environmental review or land survey), provided that Developer complies with the terms of this Agreement. Developer shall have the right to terminate this Agreement, for any reason or no reason, during the Due Diligence Period by providing written notice to the City. It shall be Developer's responsibility to determine the condition of the Property during the Due Diligence Period; provided, however, that the City agrees to provide Developer, at Developer's request, with any documentation relating to the Property's condition that is in the City's possession and reasonable control but without any representation or warranty that such documentation is complete or accurate. Further, it shall be Developer's responsibility to determine the state of title of the Property, including any recorded covenants or restrictions, during the Due Diligence Period through a title search and other due diligence; provided, however, that the City agrees to provide Developer, at Developer's request, with any title documentation relating to the Property that is in the City's possession and reasonable control but without any representation or warranty that such documentation is complete or accurate.

iv. Prior to the Closing Date, in advance of any entry onto the Property, Developer shall provide the City with evidence that Buyer has in force such liability insurance policies and coverages that the City may reasonably request, naming the City as an additional insured. When completing its due diligence activities, Developer shall not have any right to conduct any soil, soil gas, or groundwater testing or sampling or any drilling, boring or other intrusive, invasive or destructive due diligence testing of the Property ("Invasive Testing") without the prior written consent of the City, which shall not be unreasonably withheld. If Developer desires to conduct any Invasive Testing, Developer shall request such consent in writing with a detailed proposed plan of investigation, and the City shall respond within five (5) business days of receiving such request either by approving or disapproving such request, and the City's failure to timely respond shall be deemed a disapproval of Developer's request. Developer and the City agree to cooperate in good faith in the scheduling, rescheduling and implementation of any approved Invasive Testing to allow the City, at the City's option, to arrange for its consultants to observe such Invasive Testing. Without limiting the other obligations of Developer in this Agreement, (A) Developer shall hold harmless, indemnify and defend the City from and against any and all claims, liability and losses, and expenses related thereto (including reasonable attorneys' fees), which the City incurs arising or asserted to arise out of, any activity of Developer, or any of Developer's agents, conducted on the Property prior to Closing, and (B) in the event Developer exercises its right to terminate this Agreement during the Due Diligence Period or otherwise elects not to or fails to purchase the Property from the City, Developer shall, at its sole cost and expense, promptly restore any physical damage or alteration of the physical condition of the Property that results from any Invasive Testing or other due diligence activities conducted by or on behalf of Developer. The obligations of Developer in this subsection shall survive termination of this Agreement.

b. *Project.* The Developer, at its cost and expense, agrees to construct, install, furnish, equip and maintain the Project pursuant to the terms and conditions set forth herein. Except as provided for herein, Developer shall pay all costs and expenses associated with construction and installation of the Project.

c. *Construction Spend.* Developer shall, in combination with all Condo Unit Owners, no later than the Project Completion Deadline spend at least the Minimum Construction Cost in hard construction costs at the Property in connection with the Project and consistent with the approved Project Cost Breakdown. Without limitation, the following shall not be included when calculating whether such construction spend requirement has been met: (i) furnishings, decorations or other personal property, (ii) any soft construction costs, (iii) construction costs which are inconsistent with the approved

Project Cost Breakdown (as may be amended and approved as set forth herein), or (iv) Developer's expenses from purchasing the Property.

d. *Appraised Value of Project*. The combined appraised value of the Project and the Phase I Project shall equal at least the Minimum Combined Appraised Value no later than twelve (12) months following the Project Completion Deadline.

e. *Return of Property.*

i. If Developer fails to commence construction on the Project on or prior to the Project Commencement Deadline, in addition to any other remedies available to the City pursuant to this Agreement or applicable law, the City, at its option as exercised in its sole discretion, may by written notice to Developer require Developer to commence construction or if not commenced, transfer the Property to the City pursuant to a special warranty deed within ten (10) days following Developer's receipt of such notice from the City and the City shall reimburse the Purchase Price to Developer. The City shall provide such notice to Developer to transfer the Property within 60 days after the Project Commencement Deadline or the City shall be deemed to have waived its right to do so.

ii. If Developer does not substantially complete construction of the Project, which expressly excludes the interior portions of any Condo Unit which may be customized by any Condo Unit Owner, on or prior to the Project Completion Deadline, or if the Project is not constructed in substantial compliance, as determined by the City in its sole discretion, with the Plans or the consents, approvals or permits issued by any governmental authority with respect to the construction of the Project, the City, at its option as exercised in its sole discretion, may by written notice to Developer require Developer to substantially complete or bring the Project into compliance therewith within ten (10) days or if not substantially completed or brought into compliance, to transfer the Property to the City pursuant to a special warranty deed within ten (10) days following Developer's receipt of such notice from the City. Upon the transfer of the Property to the City pursuant to the foregoing sentence, the City shall reimburse the Purchase Price to Developer and shall pay Developer an amount for the value of any improvements constructed on the Property as of the date of the notice to Developer, as determined by a third-party independent appraisal by an appraiser chosen by the City in its reasonable discretion. The City shall provide such notice to Developer to transfer the Property within 60 days after the Project Completion Deadline or the City shall be deemed to have waived its right to do so.

iii. The City's right to the return of the Property included in this Section shall be explicitly stated in the Memorandum.

3. Commitments of the City.

a. *Sale of the Property*. Subject to the terms and conditions of this Agreement, the City agrees to sell to Developer the Property for the Purchase Price on the Closing Date. The City shall convey the Property to Developer by the Deed, subject to all matters of record other than monetary liens, including, without limitation, the Riverfront

Declaration, unless the City agrees, in the City's discretion, to clear any matters of record or attach a list of permitted encumbrances based on a title search by Developer's title company provided to the City by Developer during the Due Diligence Period. The City's sole obligation shall be to deliver the Deed to Developer at Closing; provided, however, that the City agrees to cooperate with Developer's and Developer's title company's reasonable requests to execute additional closing documentation reasonably requested by Developer and provided to the City for review prior to the Closing Date, but only if such documentation does not subject the City, in the City's reasonable determination, to any additional obligations or liabilities. Any transfer taxes, recording fees, title insurance fees, due diligence expenses and other closing costs in connection with such conveyance shall be at Developer's expense. Developer understands and agrees that the City's conveyance is limited to the City's right, title, and interest in and to the Property. Should Developer desire to obtain title insurance or a survey in connection with this conveyance, such items shall be at Developer's sole cost and expense.

b. *Tax Increment Grant.* Subject to the terms and conditions of this Agreement, the City agrees to provide a grant to Developer based on a percentage of the Annual Tax Increment (the "Tax Increment Grant"). The Tax Increment Grant shall be made in up to two (2) annual installments on or before November 1 of each year based on seventy percent (70%) of the Annual Tax Increment, up to a cumulative maximum amount of Four Hundred Eighty-five Thousand Dollars ($485,000.00); provided, however, that the amount of the Tax Increment Grant in each year is further limited to the amount of the Annual Tax Increment actually appropriated for use as the Tax Increment Grant by the City Council for such year. The first annual payment of the Tax Increment Grant shall be in November of the year following the year the Project is completed in accordance with this Agreement. In the event that Developer fails to meet all conditions precedent for an installment of the Tax Increment Grant for a given year, such installment shall be forfeited for such year. The City makes no representation or covenant, express or implied, that any non-zero Tax Increment Grant Amount will be generated and/or appropriated in any given year or that, in the aggregate, all such installments will be sufficient to total the Tax Increment Grant set forth above. Any Annual Tax Increment which is not appropriated and allocated toward the Tax Increment Grant may be used by the City for any legally permitted purpose, in its sole discretion. The City reserves the right to accelerate payments of the Tax Increment Grant.

c. *Street Improvements; Interim Easement.* Subject to the terms and conditions of this Agreement, the City agrees to extend Fulton Street along with all public utilities to the property line of the Property prior to the Project Completion Deadline. Prior to the Project Completion Deadline, the City shall also complete all such other associated sidewalks, parking lots/onstreet parking and streetscaping approved as part of the general and precise plans approved by the UDD zoning needed, in the reasonable determination of the City, to support the City and in keeping with the overall project contemplated by the Plans. Prior to the dedication of the extension of Fulton Street, the City shall grant a temporary access easement to Developer to access the Property for construction purposes. Developer agrees to execute such documentation as is reasonably necessary to terminate such easement upon the public dedication of the street expansion.

d. *Performance Amphitheater Facility*. The City and Developer shall work together to build a performance amphitheater facility adjacent to the Property. Developer shall fund, or raise funds to pay for, a portion of the construction costs to be determined by a plan approved by the City through its Parks and Recreation Committee and Developer.

4. Conditions Precedent to the City's Obligations.

a. In addition to all other conditions and requirements set forth in this Agreement, all of the obligations of the City under this Agreement are conditioned upon the satisfaction of each and every one of the following conditions:

i. Developer shall promptly provide the City with (A) evidence that Developer is authorized to enter into this Agreement and that the persons signing this Agreement on behalf of Developer are authorized to so sign this Agreement and to bind Developer to the terms and conditions of this Agreement, (B) a certified copy of the organizational documents for Developer, (C) a certificate of status issued by the Wisconsin Department of Financial Institutions or the applicable jurisdiction for Developer, and (D) resolutions or consents of the board of directors, partners or members, as the case may be, for Developer approving this Agreement and the transactions which are the subject of this Agreement. Developer shall provide this documentation on or before the Effective Date.

ii. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

iii. The City, through its City Council, shall have approved or authorized this Agreement and the transactions contemplated herein, and all the conditions to such approval shall have been satisfied.

iv. Developer, at its cost, shall provide the Project Cost Breakdown to the City, which must be acceptable in all respects to the City, provided that such acceptance may not be unreasonably conditioned, withheld or delayed.

v. Developer shall provide the Plans to the City. The Plans must be acceptable in all respects to the City, provided that such acceptance may not be unreasonably conditioned, withheld or delayed.

vi. Developer shall provide the City with a detailed completion schedule for the Project which must be acceptable to the City, provided that such acceptance may not be unreasonably conditioned, withheld or delayed. Such schedule shall specify the timing of all material aspects of the Project. Any revisions to such completion schedule shall be subject to the City's review and approval. The parties acknowledge and agree that due to the nature of the construction industry, certain unavoidable delays may arise, from time-to-time, which may result in incidental changes to the completion schedule. In such event, the parties agree to cooperate in good faith to adjust the completion schedule to account for said delays and not to declare a default for such incidental changes. The parties acknowledge and agree that due to the nature of condominium units, construction, and sales, some construction on the interior portions of Condo Units may not be completed until a Condo Unit is sold, and in such event, the parties agree to cooperate in good faith to adjust the completion schedule to account for said timing and not to declare a default for such changes; provided, however, that this timing flexibility for Condo Unit sales applies only to the completion of the interior of the affected Condo Units and not the larger Project.

vii. Developer shall submit an executed copy of the construction contract or design-building agreement for the Project to the City. Such construction contract or design-building agreement must be reasonably acceptable to the City, provided that such acceptance shall not be unreasonably conditioned, withheld, or delayed. Among other requirements, Developer agrees, and agrees to cause its general contractor to agree, to use local subcontractors and tradespersons whenever reasonably practical.

viii. Developer shall execute and deliver any and all other documents reasonably required by the City effect the transactions contemplated by this Agreement.

ix. Developer shall provide financial information of the Developer to the City, which information shall be in form and content acceptable to the City, including, without limitation, evidence that the Developer has available funds sufficient to complete the Project.

x. Developer shall provide evidence that the Third-Party Loan has closed and is available for disbursement for construction costs.

b. In addition to all other conditions and requirements set forth in this Agreement, the obligation of the City under this Agreement to sell the Property to Developer is conditioned upon the satisfaction of each and every one of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Developer shall provide evidence that the Memorandum will be recorded, at Developer's expense, immediately after the Deed.

iii. To the extent modified, Developer shall provide an updated Project Cost Breakdown to the City, which must be acceptable in all respects to the City, provided that such acceptance may not be unreasonably conditioned, withheld or delayed.

iv. Developer shall have executed and delivered such other closing documentation reasonably requested by the City or Developer's title company, if any.

c. In addition to all other conditions and requirements set forth in this Agreement, the obligations of the City under this Agreement to provide disbursements of the Tax

Increment Grant are conditioned upon the satisfaction of each and every one of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Project completion and lien-free and fully-paid construction shall have occurred on or prior to the Project Completion Deadline, and Developer shall provide the City with such documentation as the City may reasonably require to evidence the same.

iii. Developer shall provide the City with written evidence of Developer's expenditures with respect to the construction spend requirement in Section 2.c above, together with such other documentation as the City may reasonably require, such as lien waivers for such work.

iv. Developer shall provide the City with written evidence of Developer's satisfaction of the appraised value requirement in Section 2.d. above.

v. Developer shall provide the City with evidence that the Memorandum was either recorded before any mortgages, leases or any other assignment of the Property, or that such pre-existing mortgagee, lessee and/or assignee has agreed in writing to the terms and conditions of this Agreement.

vi. Developer, at its cost, shall provide copies of the Condominium Documents (and, if applicable, any amendments thereto) to the City, which must be acceptable in all respects to the City, provided that such acceptance may not be unreasonably conditioned, withheld or delayed.

All submissions given to the City to satisfy the conditions contained in this Section 4 must be satisfactory in form and content to the City, in its reasonable discretion.

5. **Additional Representations, Warranties and Covenants of Developer**. Developer represents and warrants to the City and covenants with the City as follows:

a. All copies of documents, contracts and agreements which Developer has furnished and will furnish to the City are true and correct in all material respects.

b. Developer will pay for, or cause to be paid for, all work performed and materials furnished for the Project.

c. No statement of fact by Developer contained in this Agreement and no statement of fact furnished or to be furnished by Developer to the 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 at the time when made.

d. Developer is a limited liability company duly formed and validly existing and has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business. Developer 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.

e. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of Developer and constitute the valid and binding obligations of Developer enforceable 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.

f. The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with Developer's organizational documents or any indenture, instrument or agreement by which Developer is bound, nor will the execution, delivery, or performance of Developer's obligations pursuant to this Agreement violate or conflict with any law applicable to Developer or the Project.

g. To the best of the Developer's knowledge, there is no litigation or proceeding pending or threatened against or affecting Developer or the Project that would adversely affect the Project or Developer or the enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform its obligations under this Agreement.

h. To the best of the Developer's knowledge, the Project Cost Breakdown approved by the City accurately reflects all Project costs that will be incurred in the development, completion, construction, furnishing and equipping of the Project, and the City is entitled to rely on the Project Cost Breakdown. Developer knows of no previously undisclosed circumstances presently existing or likely to occur which would or could be expected to result in a material variation or deviation from the Project Cost Breakdown.

i. To the best of the Developer's knowledge, 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 Developer is not in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument entered into in connection with the Project.

j. Construction of the Project shall commence not later than the Project Commencement Deadline (provided that if such date falls on a non-business day, this requirement shall be satisfied so long as commencement occurs on the next business day), and Developer will continue construction of the Project diligently and shall complete construction of the Project no later than the Project Completion Deadline. Construction of the Project shall proceed and be completed substantially in accordance with the construction schedule approved by the City in accordance with Section 4.a.vi.

k. Developer will conform and comply with, and will cause the Project to be in conformance and compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all zoning and land division laws, rules, regulations and ordinances, all building codes and ordinances of the City, all environmental laws, rules, regulations and ordinances. Developer covenants that it will perform and observe the covenants contained in, and the Project will conform and comply with, the covenants, restrictions, documents or instruments governing the Property.

l. Developer will cause the Project to be constructed in a good and workmanlike manner and substantially in accordance with the Plans for the Project. Developer shall not materially alter the Plans previously approved by the City without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

m. Except as otherwise set forth herein, Developer will not, without the City's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, materially change the scope of the Project, the Plans, or the uses of the Project. Except as otherwise set forth herein or unless otherwise agreed in writing by the City, the construction, development and operation of the Property and the Project shall be in substantial conformity with the Proposal.

n. Developer shall have in effect at all times, all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with the development, construction, management and operation of the Project.

o. From time to time at the request of the City, Developer shall provide financial information relating to the Project to the City, which information shall be in form and content acceptable to the City.

p. Except for sales of Condo Units to Condo Unit Owners, prior to completion of the Project, Developer shall not sell, assign, transfer, or convey the Property during the term of this Agreement unless it first obtains the prior written consent of the City, which consent may be withheld in the City's reasonable discretion.

q. To the extent they are not the responsibility of any Condo Unit Owner or a condominium association formed pursuant to the Condominium Documents to govern the Condo Units, Developer agrees to pay timely all generally applicable property taxes assessed and levied in connection with the Property under applicable property tax laws, rules, rates, regulations and ordinances in effect from time to time; provided, however, that Developer and any Condo Unit Owner shall have the right to lawfully dispute the property taxes so long as Developer otherwise complies with this Agreement, including, without limitation, payment by Developer of any payment in lieu of taxes as required herein. Nothing in this Agreement shall impair any statutory rights of the City and other taxing authorities with respect to the assessment, levy, priority, collection and/or enforcement of real estate and personal property taxes.

r. In the event the Property, or any part of it, becomes exempt or partially exempt from general property taxes during the term of this Agreement, Developer and its successors and assigns shall make annual payments in lieu of taxes to the City in an amount equal to the property taxes that would otherwise have been paid as property taxes on the Property, or the applicable portion thereof, or such other amount as may be agreed upon in writing with the City. This payment in lieu of taxes requirement shall: (1) be referenced in the Memorandum; (2) run with the land; (3) bind all owners in title to the Property; and (4) be in effect until the later of termination of this Agreement and termination of both of the tax incremental districts comprising the TID. Developer's obligation to pay such payments in lieu of taxes shall survive the termination of this Agreement.

s. Developer understands and agrees that its use of the Property shall be subject to the terms and conditions of all recorded documentation, including, without limitation, the Riverfront Declaration.

t. Developer shall execute the Memorandum.

The representations and warranties contained herein shall be true and correct at all times as required by this Agreement. Developer shall comply with all covenants contained herein at all times during the term of this Agreement.

6. Defaults and Remedies.

a. *Default by Developer*. The occurrence of any one or more of the following events shall constitute a default ("Default") hereunder:

i. Developer shall fail to pay any amounts due from it under this Agreement within ten (10) days after written notice of nonpayment from the City to Developer; or

ii. Any representation or warranty made by Developer in this Agreement, or any document or financial statement delivered by Developer pursuant to this Agreement, shall prove to have been false in any material respect as of the time when made or given; or

iii. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations (other than payment obligations, which is addressed in subparagraph i above, and the specific defaults listed in subparagraphs iv through x below) under this Agreement, and such failure shall continue for thirty (30) days following written notice thereof from the City to Developer (or such longer period of time as is necessary to cure the default as long as Developer has commenced the cure of the default within the 30-day period, is diligently pursuing the cure of the default; or

iv. Construction of the Project shall be abandoned for more than sixty (60) consecutive days, or if the Project is not completed on or before the Project Completion Deadline, or if any portion of the Project shall be damaged by fire or other casualty and not promptly repaired, rebuilt or replaced; or

v. Developer shall: (A) become insolvent or generally not pay, or be unable to pay, or admit in writing its/his inability to pay, its debts as they mature; or (B) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or (C) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or (D) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it/him, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer shall file an answer to such a petition or application, admitting the material allegations thereof; or (E) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its/his assets or properties, with or without consent, and such receiver shall not be discharged within ninety (90) days after its/his appointment; or (F) adopt a plan of complete liquidation of its assets; or

vi. If Developer shall dissolve or shall cease to exist; or

vii. A default shall occur and remain beyond any applicable notice and cure periods on any other indebtedness of or loan to Developer, or a default shall occur and remain beyond any applicable notice and cure periods under any mortgage or other lien or encumbrance affecting the Property or the Project.

b. *City Remedies*. In the event of Default by Developer, the City, may take any one or more of the following actions:

i. The City may suspend their performance under this Agreement until it receives assurances from Developer, deemed adequate by the City, that Developer will cure its default and continue its performance under this Agreement.

ii. The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Developer under this Agreement, including securing an injunction to prevent harm.

iii. Upon the occurrence of any Default, any amounts due to the City shall accrue interest at the rate of one percent (1%) per month.

c. *Default by City; Developer Remedies*. In the event the City is in default hereunder, Developer shall be entitled to take any action allowed by applicable law by virtue of said default provided that Developer first gives the City written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the City. In the event of a default by the City that remains uncured, Developer may seek any remedy available to Developer under the terms of this Agreement or take any other action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement, including securing an injunction to prevent harm.

d. *Indemnification*. Subject to the limitation described herein and except for any misrepresentation or any misconduct of any of the indemnified parties, Developer shall indemnify, save harmless and defend the City and its respective officer, agents and employees from and against any and all liability, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including reasonable attorney costs and fees, for claims of any kind including liability and expenses in connection with the loss of life, personal injury or damage to property, or any of them brought (i) because of any Default or (ii) because of any injuries or damages received or sustained by any persons or property on account of or arising out of the construction and/or operations of the Project and the Property to the extent caused by the negligence or willful misconduct on Developer's part or on the part of its agents, contractors, subcontractors, invitees or employees, at any time. This Section 6.d shall survive termination of this Agreement.

7. Termination. Except for the terms which expressly survive termination and provided no Default exists, this Agreement shall terminate upon the latest to occur of (i) Project completion, and (ii) termination of both of the tax incremental districts comprising the TID.

8. Force Majeure. For the purposes of any provisions of the Agreement, a party shall not be considered in breach or default of its obligations in the event of delay in the performance of such obligations due to causes beyond its reasonable control and without its fault or negligence, including but not restricted to acts of God, acts of public enemy, acts of adjoining property owners, governmental authority, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unavailable materials, and unusually severe weather; it being the parties' purpose and intent of this provision that in the event of the occurrence of any such delay, the time or times of performance of any of the obligations of such party shall be equitably extended for the period of the delay.

9. Miscellaneous.

a. Assignment. Developer shall have the right to assign this Agreement to any other party with the prior written consent of the City prior to the Project's completion, which consent may be withheld in the City's reasonable discretion. Following the Project's completion, Developer shall have the right to assign this Agreement to any other party without the prior written consent of the City provided that the assignee has accepted all rights duties and obligations of the Developer under this Agreement. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

b. Recording. Recording of this Agreement is prohibited except for the recording of the Memorandum.

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

Notices to Developer:

Riverlife Condos LLC
517 Franklin Street
Wausau, WI 54403
Attn: Mitch Viegut

with a copy to:
Mallery & Zimmerman S.C.
Attn: Sheldon Oppermann
500 Third Street, Suite 800
Wausau, WI 54403

Notices to the City:

	with a copy to:
City of Wausau	City of Wausau
407 Grant Street	407 Grant Street
Wausau, WI 54403	Wausau, WI 54403
Attn: City Clerk	Attn: City Attorney

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.

d. No Personal Liability. Under no circumstances shall any alderperson, council member, officer, official, director, attorney, employee or agent of the City have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

e. Waiver; Amendment. No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the City and Developer, and then only to the extent specifically set forth in writing. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

f. Entire Agreement. This Agreement and the documents executed pursuant to this Agreement contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection with this Agreement. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof.

g. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Developer and the City, and no third party (other than successors and permitted assigns) shall have any rights or interest in any provision of this Agreement, or as a result of any action or inaction of the City in connection therewith. Without limiting the foregoing, no approvals given pursuant to this Agreement by Developer or the City, or any person acting on behalf of any of them, shall be available for use by any contractor or other person in any dispute relating to construction of the Project.

h. Severability. 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.

i. Governing Law. This Agreement is governed by, and must be interpreted under, the internal laws of the State of Wisconsin. Any suit arising or relating to this Agreement must be brought in Marathon County, Wisconsin.

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

k. 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 the City and Developer.

l. Captions and Interpretation. The captions of the articles and sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms of this Agreement. Whenever required by the context of this Agreement, the singular includes the plural and the plural includes the singular.

m. Counterparts/Electronic Signature. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument representing the agreement among the parties. Facsimile signatures and PDF email signatures shall constitute originals for all purposes.

10. Joint and Several Obligations. If Developer consists of more than one entity, each such entity shall be jointly and severally liable for the payment and performance of all obligations of Developer under this Agreement and the City may bring suit against each such entity, jointly or severally, or against any one or more of them.

[SIGNATURE PAGE FOLLOWS]

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

DEVELOPER:

RIVERLIFE CONDOS, LLC

By: ______________________ 10/30/20
Name: Mitch Viegut
Title: Managing Member

THE CITY

CITY OF WAUSAU

By: ______________________
Katie Rosenberg, Mayor

Attest: ______________________
Name: Leslie M. Kremer, Clerk

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

DEVELOPER:

RIVERLIFE CONDOS, LLC

By: ______________________________

Name: Mitch Viegut

Title: Managing Member

THE CITY

CITY OF WAUSAU

By: ______________________________

Katie Rosenberg, Mayor

Attest: ______________________________

Name: Leslie M. Kremer, Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Part of Lot 2 of Certified Survey Map No. 18353 recorded in the Office of Register of Deeds for Marathon County in Volume 90 of Certified Survey Maps on Page 93, being part of Government Lot 6, Section 26, Township 29 North, Range 7 East, City of Wausau, Marathon County, Wisconsin, described as follows:

Commencing at the South ¼ corner of said Section 26; thence N 89° 00' 45" E, along the South line of the Southeast ¼ of said Section 26, 2552.60 feet to the Southeast corner of said Section 26; thence N 5°23'07" W, 1711.49 feet to the point of beginning;

Thence along the arc of a curve to the right having a chord bearing of S 61°32'12" W and a chord distance of 57.40 feet and a radius of 440.50 feet; thence along the arc of a non-tangential curve to the left having a chord bearing of N 24°42'38" W and a chord distance of 34.00 feet and a radius of 167.00 feet; thence along the arc of a non-tangential curve to the right having a chord bearing of S 67°11'43" W and a chord distance of 27.30 feet and a radius of 406.50 feet to the Westerly line of said Lot2; thence along said Westerly line and along the arc of a curve to the left having a chord bearing of N 32°58'05" W and a chord distance of 4.44 feet and a radius of 140.00 feet; thence along said Westerly line and along the arc of a curve to the right having a chord bearing of N 19°08'18" W and a chord distance of 61.06 feet and a radius of 120.00 feet; thence N 4°24'00" W, along said Westerly line, 278.84 feet; thence along said Westerly line and along the arc of a curve to the right having a chord bearing of N 6°18'00" E and a chord distance of 37.13 feet and a radius of 100.00 feet; thence N 17°00'00" E, along said Westerly line, 28.66 feet; thence S 85°06'38" E, 103.87 feet; thence S 4°53'30" W, 296.41 feet; thence along the arc of a curve to the left having a chord bearing of S 14°03'31" E and a chord distance of 44.16 feet and a radius of 68.00 feet; thence S 33°00'23" E, 59.23 feet to the point of beginning, said parcel containing 0.852 acres.

PIN: Part of 291-2907-253-0622

Office of the City Attorney

TEL: (715) 261-6590
FAX: (715) 261-6808

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

Nathan Miller
Assistant City Attorney

Memorandum

From: **Anne L. Jacobson, City Attorney**

To: **Economic Development Committee**

Date: **July 29, 2021**

Re: **Assignment and Assumption of Thomas Street Phase I Remnant Parcels from VestedNest Property Group LLC to Thomas Street Duplex, LLC and Amendment to Development Agreement Eliminating Paragraph 9. Transfers; Assignment**

Purpose: The purpose of this item is to discuss the assignment and assumption of Thomas Street Phase I remnant parcels from VestedNest Property Group LLC to Thomas Street Duplex, LLC and the request to amend the Development Agreement eliminating Paragraph 9. Transfers; Assignment.

Facts: The City entered into a Development Agreement with Aedifix Holdings, LLC (Aedifix) on October 19, 2018 for the construction of nine buildings along Thomas Street Phase 1 redevelopment area.

On September 11, 2019, Aedifix entered into a Simultaneous Exchange Agreement whereby they agreed to sell the properties to Bearded Kaptain and on October 2, 2019, Bearded Kaptain assigned its right, title and interest in and to VestedNest Property Group LLC (VestedNest). An Assignment and Assumption of Purchase and Development Agreement was executed on October 28, 2019 along with a Waiver of Right to Repurchase as required in the Development Agreement.

On June 11, 2021, VestedNest entered into a Simultaneous Exchange Agreement and accepted a Commercial Offer to Purchase with Frances Erhardt. The Offer included a contingency of an assignment of the Offer to a related entity. Ms. Erhardt would like to assign the Offer to Purchase to Thomas Street Duplex, LLC.

Ms. Erhardt requested that the Development Agreement be amended eliminating paragraph 9. Transfers; Assignment; thereby allowing the Developer to assign the Development Agreement and transfer the properties without City approval.

The Assignment and Assumption executed on October 28, 2019, included a clause that if the transfer of properties to VestedNest occurred on or before May 9, 2020, the City shall have no further right of first refusal with respect to the properties and Section 11.b. (Right of First Refusal) of the Development Agreement would be null and void.

Staff Recommendation: Recommendation by Committee for consent to transfer the properties to Thomas Street Duplex, LLC.

As to the request for amending the Development Agreement, I would recommend not eliminating paragraph 9. Transfers; Assignment; however the Committee and Council have the final decision.

Approved by the Wisconsin Real Estate Examining Board
10-1-15 (Optional Use Date) 1-1-16 (Mandatory Use Date)

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P.O. Box 942, Brookfield, WI 53008-0942, 262/827-4200

WB-40 AMENDMENT TO OFFER TO PURCHASE

CAUTION: Use a WB-40 Amendment if both Parties will be agreeing to modify the terms of the Offer. Use a WB-41 Notice if a Party is giving a Notice which does not require the other Party's agreement.

Buyer and Seller agree to amend the Offer dated **06/11/2021**, and accepted **06/11/2021**, for the purchase and sale of real estate at **510 West Thomas Street Wausau WI 54403** ________, Wisconsin as follows:

Closing date is changed from **8/4/2021**, ____, to **8/11/2021**, ____.

Purchase price is changed from $________ to $________.

Other:

Purchaser is Thomas Street Duplex, LLC.

The attached ________ is/are made part of this Amendment.

ALL OTHER TERMS OF THE OFFER TO PURCHASE AND ANY PRIOR AMENDMENTS REMAIN THE SAME.

This Amendment is binding upon Seller and Buyer only if a copy of the accepted Amendment is delivered to the Party offering the Amendment on or before **7/29/2021** (Time is of the Essence). Delivery of the accepted Amendment may be made in any manner specified in the Offer to Purchase, unless otherwise provided in this Amendment.

NOTE: The Party offering this Amendment may withdraw the offered Amendment prior to acceptance and delivery as provided at lines 30-33.

This Amendment was drafted by **Paulette Kowalski** **Shorewest - South Metro** on **7/29/2021**
Licensee and Firm▲ Date▲

This Amendment was presented by Owen R. Jones Jones Real Estate Group on 07/29/2021
Licensee and Firm▲ Date▲

DocuSigned by:
(x) [signature] 7/29/2021
900D8C918284478...
Buyer's Signature▲ Date▲
Print name▶ **Frances J. Erhardt**

DocuSigned by:
(x) [signature] 07/29/2021
Seller's Signature▲ Date▲
Print name▶ Owen R. Jones

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

DocuSigned by:
(x) Korey Stern 07/29/2021
Seller's Signature▲ Date▲
Print name▶ Korey Stern

This Amendment was rejected by ________ ____ ________ ____
Party Initials▲ Date▲ Party Initials▲ Date▲

Approved by the Wisconsin Real Estate Examining Board
1/1/2021 (Optional Use Date) 2/1/2021 (Mandatory Use Date)

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WB-15 COMMERCIAL OFFER TO PURCHASE

LICENSEE DRAFTING THIS OFFER ON 06/11/2021 **[DATE] IS (AGENT OF BUYER) ~~(AGENT OF SELLER/LISTING FIRM) (AGENT OF BUYER AND SELLER)~~ STRIKE THOSE NOT APPLICABLE**

The Buyer, Frances J. Erhardt, offers to purchase the Property known as 1044-1046 S 11th Ave, 1041-1043 S 12th Ave, 1038-1040 S 15th Ave, 1042-1044 S 15th Ave, 1039-1041 S 7th Ave , 1040-1042 S 7th Ave, 510-512 W Thomas St, 516-518 W Thomas St, ____________ [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 million seven hundred forty five thousand** Dollars ($ **3,745,000**).

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: 20 Stoves, 20 refrigerators, 20 washers, 20 dryers,20 microwaves, 20 dishwashers, 20 nest camera and thermostats

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: Seller's personal property and tenants personal 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 6/13/2021. 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 August 4, 2021 ____________ 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 $ 0 accompanies this Offer.

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

■ EARNEST MONEY of $ 50,000 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)~~ (other identified as Seller's title company ______________________________) 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: none ______________________________. 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 ________________ 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 DATES 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.

PROPOSED USE CONTINGENCIES: This Offer is contingent upon Buyer obtaining, at Buyer's expense, the reports or documentation required by any optional provisions checked on lines 185-197 below. The optional provisions checked on lines 185-197 shall be deemed satisfied unless Buyer, within 30 days ("30" if left blank) after acceptance, delivers: (1) written notice to Seller specifying those optional provisions checked below that cannot be satisfied and (2) written evidence substantiating why each specific provision referred to in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller agrees to cooperate with Buyer as necessary to satisfy the contingency provisions checked at lines 185-197.

Proposed Use: Buyer is purchasing the Property for the purpose of: rental properties ______________________________ **[insert proposed use and type and size of building, if applicable; e.g. restaurant/tavern with capacity of 350 and 3 second floor dwelling units].**

☐ **ZONING:** Verification of zoning and that the Property's zoning allows Buyer's proposed use described at lines 181-183.

☐ **EASEMENTS AND RESTRICTIONS:** Copies of all public and private easements, covenants and restrictions affecting the Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase the costs of the proposed use or development identified at lines 181-183.

☐ **APPROVALS:** All applicable governmental permits, approvals and licenses, as necessary and appropriate, or the final discretionary action by the granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's proposed use: ______________________________ or delivering written notice to Seller if the item(s) cannot be obtained or can only be obtained subject to conditions which significantly increase the cost of Buyer's proposed use described at lines 181-183.

☐ **ACCESS TO PROPERTY:** Written verification that there is legal vehicular access to the Property from public roads.

☐ **LAND USE APPROVAL/PERMITS:** This Offer is contingent upon (Buyer)(Seller) STRIKE ONE ("Buyer" if neither stricken) obtaining the following, including all costs: a CHECK ALL THAT APPLY: ☐ rezoning; ☐ conditional use permit; ☐ variance; ☐ other ______________ for the Property for its proposed use described at lines 181-183. Seller agrees to cooperate with Buyer as necessary to satisfy this contingency. Buyer shall deliver, within ______ days of acceptance, written notice to Seller if any item cannot be obtained, in which case this Offer shall be null and void.

☐ **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) STRIKE ONE ("Seller providing" if neither is stricken) a ______________________________ survey (ALTA/NSPS Land Title Survey if survey type is not specified) dated subsequent to the date of acceptance of this Offer and prepared by a registered land surveyor, within ____________ days ("30" if left blank) after acceptance, at (Buyer's) (Seller's) STRIKE ONE ("Seller's" if neither is stricken) expense. The map shall show minimum of ___________ acres, maximum of ____________ acres, the legal description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements, if any, and: ______________________________.

STRIKE AND COMPLETE AS APPLICABLE Additional map features which may be added include, but are not limited to: staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square footage; utility installations; easements or rights-of-way. Such survey shall be in satisfactory form and accompanied by any required surveyor's certificate sufficient to enable Buyer to obtain removal of the standard survey exception(s) on the title policy.

CAUTION: Consider the cost and the need for map features before selecting them. Also consider the time required to obtain the map when setting the deadline.

This contingency shall be deemed satisfied unless Buyer, within 5 days after the deadline for delivery of said map, delivers to Seller a copy of the map and a written notice which identifies: (1) a significant encroachment; (2) information materially inconsistent with prior representations; (3) failure to meet requirements stated within this contingency; or (4) the existence of conditions that would prohibit the Buyer's intended use of the Property described at lines 181-183. Upon delivery of Buyer's notice, this Offer shall be null and void. Once the deadline for delivery has passed, if Seller was responsible to provide the map and failed to timely deliver the map to Buyer, Buyer may terminate this Offer if Buyer delivers a written notice of termination to Seller prior to Buyer's Actual Receipt of said map from Seller.

^ **DOCUMENT REVIEW CONTINGENCY:** This Offer is contingent upon Seller delivering the following documents to Buyer within 15 days ("30" if left blank) after acceptance: CHECK THOSE THAT APPLY; STRIKE AS APPROPRIATE

☐ Documents evidencing the sale of the Property has been properly authorized, if Seller is a business entity.

■ A complete inventory of all furniture, fixtures, equipment and other personal property included in this transaction which is consistent with representations made prior to and in this Offer.

☐ Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property to be free and clear of all liens, other than liens to be released prior to or at closing.

☐ Rent roll.

■ Other Insurance, leases, rental applications, move-in inspections, inspection reports from previous buyers, property records including plans, permits, applications and surveys and any maintance records, tenant delinquencies, 2 years of llc tax returns.

Additional items which may be added include, but are not limited to: building, construction or component warranties, previous environmental site assessments, surveys, title commitments and policies, maintenance agreements, other contracts relating to the Property, existing permits and licenses, recent financial operating statements, current and future rental agreements, notices of termination and non-renewal, and assessment notices.

All documents Seller delivers to Buyer shall be true, accurate, current and complete. Buyer shall keep all such documents confidential and disclose them to third parties only to the extent necessary to implement other provisions of this Offer. Buyer shall return all documents (originals and any reproductions) to Seller if this Offer is terminated.

■ CONTINGENCY SATISFACTION: This contingency shall be deemed satisfied unless Buyer, within ____ days ("5" if left blank) after the deadline for delivery of the documents, delivers to Seller a written notice indicating this contingency has not been satisfied. Such notice shall identify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s). Upon delivery of such notice, this Offer shall be null and void.

☐ **ENVIRONMENTAL EVALUATION CONTINGENCY:** This Offer is contingent upon a qualified independent environmental consultant of Buyer's choice conducting an Environmental Site Assessment of the Property (see lines 274-291), at (Buyer's) (Seller's) expense STRIKE ONE ("Buyer's" if neither is stricken), which discloses no Defects.

NOTE: "Defect" as defined on lines 523-525 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.

For the purpose of this contingency, a Defect is defined to also include a material violation of environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the Property due to future migration from other properties. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

■ CONTINGENCY SATISFACTION**:** This contingency shall be deemed satisfied unless Buyer, within _____ days ("30" if left blank) after acceptance, delivers to Seller a copy of the Environmental Site Assessment report and a written notice listing the Defect(s) identified in the Environmental Site Assessment report to which Buyer objects (Notice of Defects).

CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.

■ RIGHT TO CURE: Seller (shall) (shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects.

If Seller has the right to cure, Seller may satisfy this contingency by:

(1) delivering written notice to Buyer within ________ ("10" if left blank) days after Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects;

(2) curing the Defects in a good and workmanlike manner; and

(3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written Environmental Site Assessment report and:

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

(2) Seller has a right to cure but:

(a) Seller delivers written notice that Seller will not cure; or

(b) Seller does not timely deliver the written notice of election to cure.

■ ENVIRONMENTAL SITE ASSESSMENT: An "Environmental Site Assessment" (also known as a "Phase I Site Assessment") may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment including the National Priorities List, the Department of Nature Resources' (DNR) Registry of Waste Disposal Sites, the DNR's Contaminated Lands Environmental Action Network, and the DNR's Remediation and Redevelopment (RR) Sites Map including the Geographical Information System (GIS) Registry and related resources. Any Environmental Site Assessment performed under this Offer shall comply with generally recognized industry standards (e.g. current American Society of Testing and Materials "Standard Practice for Environmental Site Assessments"), and state and federal guidelines, as applicable.

CAUTION: Unless otherwise agreed an Environmental Site Assessment does not include subsurface testing of the soil or groundwater or other testing of the Property for environmental pollution. If further investigation is required, insert provisions for a Phase II Site Assessment (collection and analysis of samples), Phase III Environmental Site Assessment (evaluation of remediation alternatives) or other site evaluation at lines 620-650 or attach as an addendum per line 676.

INSPECTIONS AND TESTING Buyer may only conduct inspections or tests if specific contingencies are included as a part of this Offer. An "inspection" is defined as an observation of the Property, which does not include an appraisal or testing of the Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property for laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the contingencies in this Offer. Buyer or licensees or both may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.

Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

[X] **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 292-306).

(1) This Offer is contingent upon a ~~qualified independent inspector(s)~~ conducting an inspection(s) of the Property which discloses no Defects.

(2) This Offer is further contingent upon a ~~qualified independent inspector~~ or independent qualified third party performing an inspection of ______________________________

____

(list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects.

(3) Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection, provided they occur prior to the Deadline specified at line 320. Each inspection shall be performed by a qualified independent inspector or independent qualified third party.

Buyer shall order the inspection(s) and be responsible for all costs of inspection(s).

CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as well as any follow-up inspection(s).

This contingency shall be deemed satisfied unless Buyer, within 14 days ("20" if left blank) after acceptance, delivers to Seller a copy of the inspection report(s) dated after the date on line 1 of this Offer and a written notice listing the Defect(s) identified in the inspection report(s) to which Buyer objects (Notice of Defects).

CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.

For the purpose of this contingency, Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

NOTE: "Defect" as defined on lines 523-525 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.

■ **RIGHT TO CURE:** Seller ~~(shall)~~(shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects.

If Seller has the right to cure, Seller may satisfy this contingency by:

(1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects;

(2) curing the Defects in a good and workmanlike manner; and

(3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and:

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

(2) Seller has a right to cure but:

(a) Seller delivers written notice that Seller will not cure; or

(b) Seller does not timely deliver the written notice of election to cure.

IF LINE 342 IS NOT MARKED OR IS MARKED N/A LINES 392-403 APPLY.

[ ] **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written ______________________________ [loan type or specific lender, if any] first mortgage loan commitment as described below, within ________ days after acceptance of this Offer. The financing selected shall be in an amount of not less than $ ______________________ for a term of not less than ________ years, amortized over not less than ________ years. Initial monthly payments of principal and interest shall not exceed $ ________________. Buyer acknowledges that lender's required monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage shall not include a prepayment premium. Buyer agrees to pay discount points in an amount not to exceed ________% ("0" if left blank) of the loan. If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 620-650 or in an addendum attached per line 676. Buyer agrees to pay all customary loan and closing costs, wire fees, and loan origination fees, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. Seller agrees to allow lender's appraiser access to the Property.

■ LOAN AMOUNT ADJUSTMENT: If the purchase price under this Offer is modified, any financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 358 or 359.

☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed ________%.

☐ **ADJUSTABLE RATE FINANCING:** The initial interest rate shall not exceed ________%. The initial interest rate shall be fixed for ________ months, at which time the interest rate may be increased not more than ________% ("2" if left blank) at the first adjustment and by not more than ________% ("1" if left blank) at each subsequent adjustment. The maximum interest rate during the mortgage term shall not exceed the initial interest rate plus ________% ("6" if left blank). Monthly payments of principal and interest may be adjusted to reflect interest changes.

NOTE: If purchase is conditioned on Buyer obtaining financing for operations or development consider adding a contingency for that purpose.

■ <u>SATISFACTION OF FINANCING COMMITMENT CONTINGENCY</u>: If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of a written loan commitment. This contingency shall be satisfied if, after Buyer's review, Buyer delivers to Seller a copy of a written loan commitment (even if subject to conditions) that is:

(1) signed by Buyer; or

(2) accompanied by Buyer's written direction for delivery.

Delivery of a loan commitment by Buyer's lender or delivery accompanied by a notice of unacceptability shall not satisfy this contingency.

CAUTION: The delivered loan commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. Buyer understands delivery of a loan commitment removes the Financing Commitment Contingency from the Offer and shifts the risk to Buyer if the loan is not funded.

■ <u>SELLER TERMINATION RIGHTS</u>: If Buyer does not deliver a loan commitment on or before the Deadline on line 344. Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of written loan commitment from Buyer.

■ <u>FINANCING COMMITMENT UNAVAILABILITY</u>: If a financing commitment is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability.

☐ **SELLER FINANCING:** Seller shall have 10 days after the earlier of:

(1) Buyer delivery of written notice of evidence of unavailability as noted in lines 380-383; or

(2) the Deadline for delivery of the loan commitment set on line 344

to deliver to Buyer written notice of Seller's decision to finance this transaction with a note and mortgage under the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, the option for Seller to provide financing shall be considered waived. Buyer agrees to cooperate with and authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

IF THIS OFFER IS NOT CONTINGENT ON FINANCING COMMITMENT Within ________ days ("7" if left blank) after acceptance, Buyer shall deliver to Seller either:

(1) reasonable written verification from a financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds to close; or

(2) ____

____ [Specify documentation Buyer agrees to deliver to Seller].

If such written verification or documentation is not delivered, Seller has the right to terminate this Offer by delivering written notice to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written verification. Buyer may or may not obtain mortgage financing but does not need the protection of a financing commitment contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing commitment contingency.

☐ **APPRAISAL CONTINGENCY:** This Offer is contingent upon Buyer or Buyer's lender having the Property appraised at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date stated on line 1 of this Offer, indicating an appraised value for the Property equal to or greater than the agreed upon purchase price.

This contingency shall be deemed satisfied unless Buyer, within ________ days after acceptance, delivers to Seller a copy of the appraisal report indicating an appraised value less than the agreed upon purchase price, and a written notice objecting to the appraised value.

■ **RIGHT TO CURE:** Seller (shall) (shall not) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure. If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer adjusting the purchase price to the value shown on the appraisal report within ________ days ("5" if left blank) after Buyer's delivery of the appraisal report and the notice objecting to the appraised value. Seller and Buyer agree to promptly execute an amendment initiated by either Party after delivery of Seller's notice, solely to reflect the adjusted purchase price.

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.

[ ] **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 none

____.

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:

[X] 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 none

____

______________________ (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 15 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 15 days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have 15 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 See lines 225-241 ____________________. Insert additional terms, if any, at lines 620-650 or attach as an addendum per line 676.

[X] **ESTOPPEL LETTERS:** Seller shall deliver to Buyer no later than 7 days ("7" if left blank) before closing, estoppel letters dated within 15 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. Inspections shall be conducted by general contractor and any qualified professional if necessary.

2. Buyer may be participating in a 1031 exchange at no expense to the seller.

3. Proof of funds will be provided within 24 hours of acceptance.

4. Offer may be assigned to related parties.

5. Listing agent is also a principal in the selling entity.

6. Additional properties included: 1110-1112 W Thomas St, 1114-1116 W Thomas St.

7. Seller to provide current rent roll within 2 days of acceptance to buyer. Buyer shall have 1 day to review rent roll. In the event buyer objects to current rent roll after review, buyer may cancel this offer to purchase.

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: Owen Jones - Jones Real Estate Group

Name of Buyer's recipient for delivery, if any: Paulette Kowalski - Shorewest Realtors

[ ] (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: ____________________

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

Email Address for Seller: owen@jonesreg.com

Email Address for Buyer: paulette@shorewest.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.

[ ] **ADDENDA:** The attached ____________________ is/are made part of this Offer.

This Offer was drafted by [Licensee and Firm] **Paulette Kowalski** Shorewest - South Metro 6/11/2021

Buyer Entity Name (if any): ____________________

DocuSigned by:

(x) Frances J. Erhardt 6/11/2021

900D8C918284478...

Buyer's/Authorized Signature ▲ Print Name/Title Here ▶ Frances J. Erhardt 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): Vested Nest Property Group LLC (VNPG)

DocuSigned by:

(x) Korey Stern 06/11/2021

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

DocuSigned by:

(x) ____________________ 06/11/2021

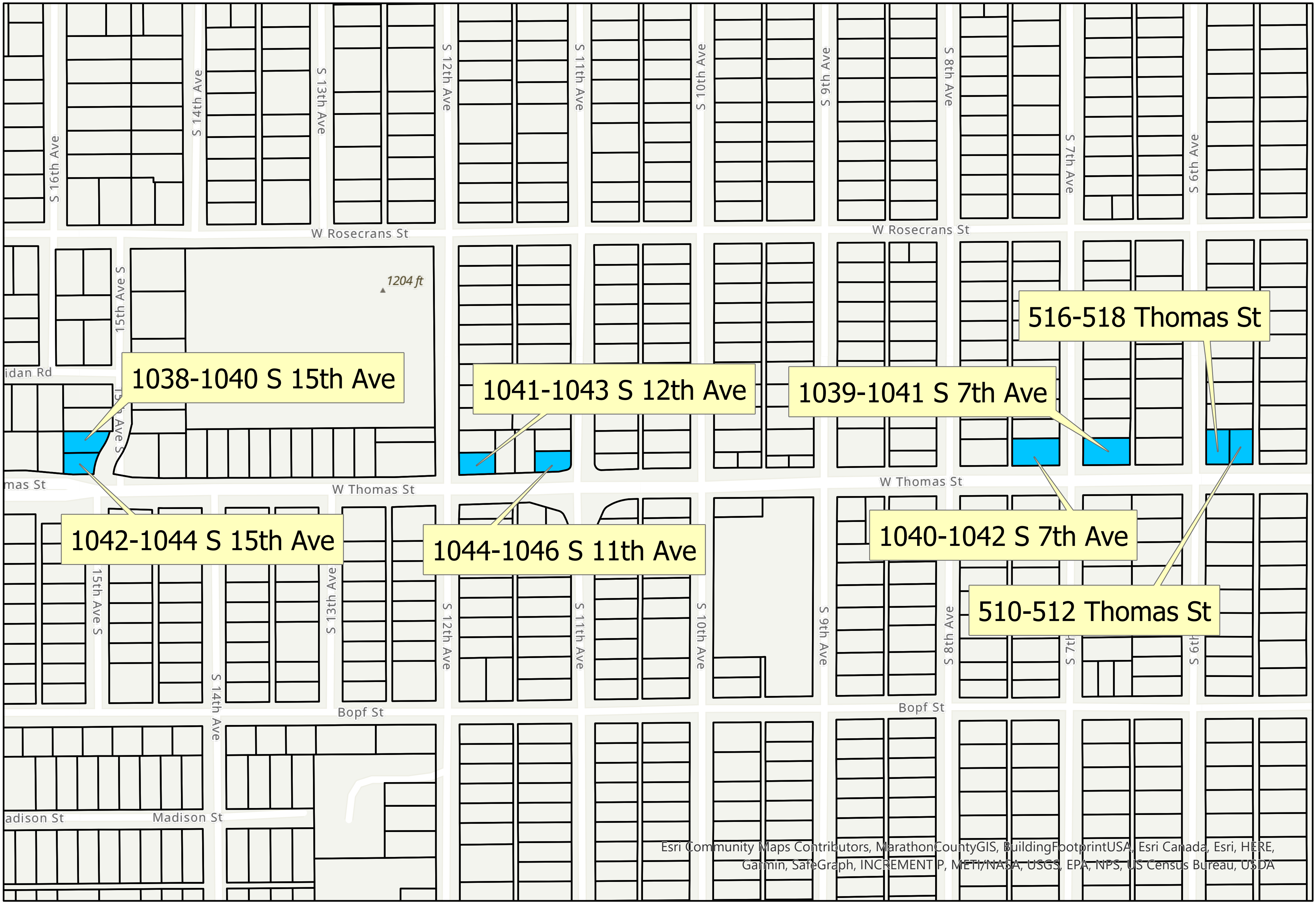
Seller's/Authorized Signature ▲ Print Name/Title Here ▶ Owen R. Jones Date ▲

This Offer was presented to Seller by [Licensee and Firm] Owen R. Jones

Jones Real Estate Group on 06/11/2021 at ________ a.m./p.m.

This Offer is rejected ________ ______ This Offer is countered [See attached counter] ________ ______

Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲



N

City of Wausau, WI
Thomas Street Duplexes (2019)

0 125 250 500 Feet

FIRST AMENDMENT TO
<u>PURCHASE AND DEVELOPMENT AGREEMENT</u>
(VestedNest - Thomas Street)

THIS FIRST AMENDMENT TO PURCHASE AND DEVELOPMENT AGREEMENT (VestedNest - Thomas Street) (this "<u>Amendment</u>") is made as of August 11, 2021 (the "<u>Effective Date</u>"), by and between the CITY OF WAUSAU, a Wisconsin municipal corporation (the "<u>City</u>") and VESTEDNEST PROPERTY GROUP LLC, a Wisconsin limited liability company ("<u>Developer</u>").

RECITALS

WHEREAS, the City, Aedifix Holdings, LLC ("<u>Aedifix</u>") and others entered into that certain Purchase and Development Agreement (Aedifix Thomas Street) dated as of October 19, 218 (the "<u>Development Agreement</u>") with respect to the sale and development of certain property located in the City of Wausau, County of Marathon, State of Wisconsin, as more particularly therein (any capitalized term used in this Amendment but not defined herein shall have the meaning assigned to that term in the Development Agreement); and

WHEREAS, pursuant to a certain Assignment and Assumption of Purchase and Development Agreement (Aedifix Thomas Street) dated as of October 28, 2019 by and among Aedifix, the City, Developer and others (the "<u>Assignment</u>"), among other actions and agreements, (i) Aedifix transferred to Developer the Property and assigned its rights under the Development Agreement and Developer assumed the obligations under the Development Agreement, (ii) Aedifix and Developer acknowledged and agreed that the City had satisfied its obligations to fund the Loan, (iii) Aedifix and Developer agreed that any transfers of all or a portion of the Property would be subject to certain deed restrictions attached to the Assignment; and (v) subject to the agreements and acknowledgments of Aedifix and Developer in the Assignment, (A) the City consented to the transfer of the Property and assignment of the Development Agreement to Developer and (B) the City agreed that the Right of First Refusal was null and void as the date of such transfer/assignment; and

WHEREAS, the Project has since been completed, and, accordingly, (A) the City acknowledges that the Repurchase Right is null and void, (B) the City agrees that the Right of First Refusal is terminated, (C) the City agrees that it will no longer require consent of direct or indirect transfers of the Property or the Development Agreement, and (D) the City acknowledges that the Loan has been forgiven in its entirety; and

WHEREAS, the City and Developer desire to amend the Development Agreement subject to the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows as of the Effective Date:

1. Amendments to the Development Agreement.

a. Section 11.a of the Development Agreement, regarding certain repurchase rights of the City prior to Project completion, is hereby deleted in its entirety.

b. Section 11.b of the Development Agreement, regarding a certain right of first refusal of the City, is hereby deleted in its entirety.

c. Section 9 of the Development Agreement, regarding City consent for certain direct and indirect transfers of the Property, is hereby deleted in its entirety. For avoidance of doubt, City consent is not required for further transfers of the Property in whole or in part, whether to Thomas Street Duplex, LLC or others.

d. Any provisions in the Development Agreement requiring repayment of the Loan by Developer are hereby null and void. The City hereby acknowledges and agrees that the Loan has been forgiven in full.

2. Reaffirmation of Development Agreement; Deed Restrictions. The Development Agreement, as modified by this Amendment, remains in full force and effect, and all terms of the Development Agreement, as modified hereby, are hereby ratified and reaffirmed. Without limiting the generality of the forgoing, the Property shall remain subject to the deed restrictions attached to the Assignment (subject to the amendments herein stated), which shall run with the land and be binding on subsequent owners and/or mortgagees of all or any portion of the Property, and each of their successors and/or assigns.

3. Representations and Warranties of Developer. Developer hereby represents and warrants to the City that: (i) after giving effect to this Amendment, all of the representations and warranties made by Developer in the Development Agreement are true and accurate in all material respects on the Effective Date of this Amendment, and no event of default under the Development Agreement has occurred and is continuing as of the Effective Date of this Amendment and (ii) the making, execution and delivery of this Amendment, and performance of and compliance with the terms of the Development Agreement, as amended, have been duly authorized by all necessary action of Developer. This Amendment is the valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

4. 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.

[SIGNATURE PAGE FOLLOWS]

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

DEVELOPER:

VESTEDNEST PROPERTY GROUP LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

CITY:

CITY OF WAUSAU

By: ______________________________
Katie Rosenberg, Mayor

Attest: ______________________________
Leslie M. Kremer, Clerk

PURCHASE AND DEVELOPMENT AGREEMENT
(Aedifix Thomas Street)

THIS PURCHASE AND DEVELOPMENT AGREEMENT (this "Agreement") is made as of the 19th day of October, 2018 (the "Effective Date"), by and between the **CITY OF WAUSAU**, a Wisconsin municipal corporation (the "City"); and **AEDIFIX HOLDINGS, LLC**, a Wisconsin limited liability company ("Aedifix"), **JL WYATT 529, LLC**, a Wisconsin limited liability company ("JL Wyatt"), **JJ TAGGART 529, LLC**, a Wisconsin limited liability company ("JJ Taggart"), and **JH REARDEN 529, LLC**, a Wisconsin limited liability company ("JH Rearden") Aedifix, JL Wyatt, JJ Taggart, and JH Rearden are collectively referred to herein as "Developer", and each is referred herein as a "Developer Entity".

RECITALS

WHEREAS, the City is the owner of certain real property in the City of Wausau, County of Marathon, State of Wisconsin, as described on Exhibit A attached hereto (the "Property"); and

WHEREAS, Developer has proposed to purchase the Property and to develop the Property as set forth herein; and

WHEREAS, Developer's ability to develop the Property requires that the Property be transferred at a below-market price and certain other financial incentives from the City as set forth herein; and

WHEREAS, the City has, pursuant to the authority granted in Wisconsin Statutes, Section 66.1105, created a Tax Incremental District, the City of Wausau Tax Increment District Six (the "TID"), and adopted a Project Plan (as amended, the "TID Plan") to finance certain costs to induce development within or around the TID; and

WHEREAS, in order to achieve the objectives of the TID Plan and to make the land within the TID available for development by private enterprises for and in accordance with the uses specified in the TID Plan, the City has determined to provide financial and other assistance from the TID and other actions, as hereinafter set forth, to permit development to proceed; and

WHEREAS, the Property is located within, or within one-half mile of, the TID; and

WHEREAS, the City has determined that the proposed development of the Property by Developer, as set forth herein, will (i) promote and carry out the development objectives of the City, (ii) furthers the purposes of the TID Plan, and (iii) would not occur at the Property without the assistance of the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

a. "Agreement" means this Purchase and Development Agreement.

b. "Building" means each two-family residential unit to be built on the Property in accordance with the Plans for such Building and in substantial conformity with the Proposal.

c. "City" is defined in the introductory paragraph of this Agreement.

d. "Closing" means the execution of the sale and conveyance of the Property to Developer in exchange for the Purchase Price, as contemplated by and subject to the terms and conditions of this Agreement.

e. "Closing Deadline" means thirty (30) days after the termination or earlier waiver of the Due Diligence Period.

f. "Deed Restrictions" are the deed restrictions attached hereto as Exhibit B which are to be attached to the deed of the Property from the City to Developer

g. "Developer" is defined in the introductory paragraph of this Agreement.

h. "Due Diligence Period" means the time period commencing on the Effective Date and terminating on December 31, 2018, unless waived earlier by Developer.

i. "Effective Date" is defined in the introductory paragraph of this Agreement.

j. "Loan" means the interest-free construction loan of up to an original principal amount of $299,000.00 from the City to Developer for reimbursement of City-approved hard construction Project costs. The maturity date of the Loan shall be the date of Project Completion. As set forth below, some or all of the Loan is subject to forgiveness by the City upon Developer's satisfaction of certain requirements.

k. "Loan Request Deadline" means May 1, 2020.

l. "Memorandum" means a short form memorandum of this Agreement recorded in the real estate records against the Property. The parties agree that the form of memorandum attached hereto as Exhibit E is acceptable to both parties.

m. "Mortgage" means a real estate mortgage from Developer for the benefit of the City on the Property (including all of the improvements located or to be located thereon) to secure repayment of the Loan. The Mortgage shall be in the form attached hereto as Exhibit D and shall be subordinate only to third-party financing for the Project in the amount set forth in the Project Cost Breakdown approved by the City. The Mortgage shall be recorded as a lien against the Property.

n. "Note" means the instrument signed by Developer evidencing Developer's obligation to repay the Loan in the form attached hereto as Exhibit C.

o. "Plans" means final detailed plans and specifications for each Building of the Project in form and substance acceptable to the City, which shall include, without limitation, the following: all improvements now located or to be located on the applicable portion of Property, the footprint of all improvements and the square footage of all improvements, all easements, pathways, exterior boundary lines, walkways, parking and circulation areas, adjoining public streets and alleys, utilities, exits and entrances, all signage, sidewalks, landscaping, all materials to be used in construction, all interior and exterior finishes, building sections, description of room and space sizes, plan arrangement of rooms and functional spaces, exterior elevations, the stacking of floors and all construction elements, a narrative description of all structural systems, mechanical systems, electrical systems and any specialty systems, and a landscaping plan and landscape maintenance plan.

p. "Project" means the construction of nine Buildings on the Property with an aggregate value of at least $2,250,000, and construction and installation of all other improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of the Property.

q. "Project Commencement" means the date of actual construction commencement of the Project, as determined by the City in its reasonable discretion.

r. "Project Commencement Deadline" means June 1, 2019.

s. "Project Completion" means the substantial completion of all nine Buildings on the Project in substantial conformity with the Plans.

t. "Project Completion Deadline" means December 31, 2024.

u. "Project Cost Breakdown" means a current cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, engineering, construction, furnishing, equipping, financing, contingency and all other direct and indirect costs of development, construction and installation of each Building of the Project in accordance with the Plans. The Project Cost Breakdown shall also include Developer's proposed source(s) of funds for each Building.

v. "Property" is that certain real property described on Exhibit A attached hereto.

w. "Proposal" means that certain proposal dated March 23, 2018, which was presented by Developer to the City. In the event of a conflict between the Proposal and this Agreement, this Agreement shall control.

x. "Purchase Price" means One Dollar ($1.00) for the Property.

y. "Repurchase Right" is defined in Section 10 below

z. "Right of First Refusal" is defined in Section 10 below.

aa. "TID" is defined in the Recitals above.

bb. "TID Plan" is defined in the Recitals above.

2. Commitments of Developer. Developer agrees and covenants with the City as follows:

a. *Purchase of the Property.* Subject to the terms and conditions of this Agreement, Developer agrees to purchase the Property in its "AS-IS" condition for the Purchase Price no later than the Closing Deadline. The transfer of the Property shall be subject to all matters of record and the Deed Restrictions. Developer agrees that the Memorandum shall be recorded immediately after the deed from the City and prior to any mortgage, including the Mortgage. Developer shall also execute the Note and Mortgage at Closing and promptly record the Mortgage as a lien against the Property.

b. *Construction and Operation of the Project.*

i. Subject to the terms and conditions of this Agreement, Developer, at its sole cost and expense, agrees to construct, install, furnish, equip, maintain and operate the Project. Developer will cause the Project to be constructed in a good and workmanlike manner and substantially in accordance with the Plans.

ii. Construction of the Project shall commence no later than the Project Commencement Deadline, and upon commencement of the Project, Developer will continue construction of the Project diligently and shall complete construction of the Project substantially in accordance with the construction schedule approved by the City, and in no event later than the Project Completion Deadline. The Project will be deemed completed once all nine Buildings are complete. Each Building of the Project will be deemed completed upon occurrence of all of the following: (i) a certificate of occupancy is issued by the appropriate governmental authorities for the Building; and (ii) the Project architect has issued a certificate stating that such Building has been substantially completed in accordance with the Plans. Developer shall complete two Buildings on or prior to December 31, 2019, and Developer shall complete an additional three Buildings on or prior to June 1, 2020.

iii. Developer will conform and comply with, and will cause the Project to be in conformance and compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all zoning and land division laws, rules, regulations and ordinances, all building codes and ordinances of the City, and all environmental laws, rules, regulations and ordinances, and all bidding and other public construction requirements, if any. Developer covenants that it will perform and observe the covenants contained in, and the Project will conform and comply with, the covenants, restrictions, documents or instruments governing the Property. It shall be Developer's responsibility to determine such covenants or restrictions during the Due Diligence Period (described below) through a title search and other due diligence; provided, however, that the City agrees to provide Developer, at Developer's request, with any title documentation relating to the Property that is in the City's possession and reasonable control but without any representation or warranty that such documentation is complete or accurate.

iv. Developer shall have in effect at all times, all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with the development, construction, management and operation of the Project.

v. Developer will not, without the City's prior written consent, materially change the scope of the Project, the Plans, or the uses of the Project. The development and operation of the Project shall be in substantial conformity with the Proposal.

c. *Developer's Due Diligence Contingency.*

i. Developer is taking the Property in its current condition, without any express or implied warranties by the City as to its physical condition. Accordingly, during the Due Diligence Period, Developer shall have the right to complete, at Developer's sole cost and expense, all due diligence activities with respect to the Property and feasibility analysis of the Project desired by Developer (including, without limitation, a title search, environmental review or land survey), provided that Developer complies with the terms of this Agreement, including, without limitation, Section 2.c.ii below. Developer shall have the right to terminate this Agreement, for any reason or no reason, during the Due Diligence Period by providing written notice to the City. It shall be Developer's responsibility to determine the condition of the Property during the Due Diligence Period; provided, however, that the City agrees to provide Developer, at Developer's request, with any documentation relating to the Property's condition that is in the City's possession and reasonable control but without any representation or warranty that such documentation is complete or accurate.

ii. Prior to Closing, in advance of any entry onto the Property, Developer shall provide the City with evidence that Developer has in force such liability insurance policies and coverages that the City may reasonably request, naming the City as an additional insured. When completing its due diligence activities, Developer shall not have any right to conduct any soil, soil gas, or groundwater testing or sampling or any drilling, boring or other intrusive, invasive or destructive due diligence testing of the Property ("Invasive Testing") without the prior written consent of the City, which shall not be unreasonably withheld. If Developer desires to conduct any Invasive Testing, Developer shall request such consent in writing via e-mail to Christian.Schock@ci.wausau.wi.us (or such other e-mail address or addresses as the City may from time to time direct) with a detailed proposed plan of investigation, and the City shall respond within five (5) business days of receiving such request either by approving or disapproving such request by e-mail to the sender of the original request, and the City's failure to timely respond shall be deemed a disapproval of Developer's request. Developer and the City agree to cooperate in good faith in the scheduling, rescheduling and implementation of any approved Invasive Testing to allow the City, at the City's option, to arrange for its consultants to observe such Invasive Testing. Without limiting the other obligations of Developer in this Agreement, (A) Developer shall hold harmless, indemnify and defend the City from and against any and all claims, liability and losses, and expenses related thereto (including reasonable attorneys' fees), which the City incurs arising or asserted to arise out of, any activity of Developer, or any of Developer's agents, conducted on the Property prior to Closing, and (B) in the event Developer exercises its right to terminate pursuant to Section 2.c.i above or otherwise elects not to or fails to purchase the Property from the City, Developer shall, at its sole cost and expense, promptly restore any physical damage or alteration of the physical condition of the Property that results from any Invasive Testing or other due diligence activities conducted by or on behalf of Developer. The obligations of Developer in this Section 2.c.ii shall survive termination of this Agreement.

3. Commitments of the City.

a. Sale of the Property. Subject to the terms and conditions of this Agreement, the City agrees to sell to Developer the Property for the Purchase Price no later than the Closing Deadline, provided Developer gives the City at least ten (10) business days prior notice of Developer's desired Closing date. The City shall convey the Property to Developer by quitclaim deed, which shall include the Deed Restrictions as an attachment. Specifically, the City shall convey: (i) Parcel 1 identified on Exhibit A to JL Wyatt; (ii) Parcel 2 identified on Exhibit A to JJ Taggart; and (iii) Parcel 3 identified on Exhibit A to JH Rearden, by three separate quit-claim deeds, each of which shall include the Deed Restrictions as an attachment. Developer acknowledges and agrees that the legal descriptions included on Exhibit F are areas of the respective parcels that include existing sidewalks on such parcels and that the City shall have the option to either: (i) reserve an easement over each such area for such existing sidewalk and the maintenance, repair, and replacement of such existing sidewalks in the applicable quit-claim deed; or (ii) except such areas from the legal description for the respective parcels in the quit-claim deeds conveying the Property. If the City chooses to reserve an easement for any existing sidewalks, Developer hereby agrees to execute and deliver on or prior to the date of Closing an easement agreement providing for the City's maintenance and repair of such existing sidewalks and the public's right to use such existing sidewalks. The City's sole obligation shall be to deliver such quitclaim deeds to Developer at Closing; provided, however, that the City agrees to cooperate with Developer's and Developer's title company's reasonable requests to execute additional closing documentation so long as drafts are provided no later than five (5) business days prior to Closing and such documentation does not subject the City, in the City's reasonable determination, to any additional obligations or liabilities. Any transfer taxes, recording fees, title insurance fees, due diligence expenses and other closing costs in connection with such conveyance shall be at Developer's expense. Developer understands and agrees that the City's conveyance is limited to the City's right title and interest in and to the Property. Should Developer desire to obtain title insurance or a survey in connection with this conveyance, such items shall be at Developer's sole cost and expense. The City acknowledges that the legal descriptions for the various parcels of Property included on Exhibit A are new descriptions and the City will cooperate with Developer's title company, if any, with respect to determining final legal descriptions.

b. *Forgivable Loan.*

i. Subject to the terms and conditions herein, to induce Developer to construct the Project, the City hereby agrees to provide Developer with the Loan on a construction-draw basis for City-approved costs of the construction and site preparation necessary to complete the Project. Provided that Developer submits a draw request for disbursement (along with sufficient proof of such expenditures and evidence that all other conditions precedent set forth herein have been satisfied) no later than the Loan Request Deadline, the requested portion of the Loan shall be made available by the City to Developer within thirty (30) days of such written request. No more than one Loan draw request may be made each month and all Loan draw requests shall be provided to the City no later than the Loan Request Deadline. Notwithstanding the foregoing, if Developer's other lender(s) require that the City's funds be disbursed through a title company pursuant to a disbursement agreement acceptable to the City in its reasonable discretion (the "Disbursement Agreement"), then to the extent the terms of the Disbursement Agreement conflict with the foregoing, the terms of the Disbursement Agreement shall control.

ii. The Loan shall not accrue interest (except in the event of default interest) and Developer shall have no obligation to repay the Loan until the maturity date set forth above (except in the event of acceleration due to default). Developer may pre-pay the Loan in whole or in part from time to time without penalty or premium for prepayment.

iii. The City agrees to forgive up to $49,833.33 of Loan principal upon the completion of each Building on the Property with respect to each of the first six Buildings constructed on the Property. Each Building of the Project will be deemed completed upon occurrence of all of the following: (i) a certificate of occupancy is issued by the appropriate governmental authorities for the Building; and (ii) the Project architect has issued a certificate stating that such Building has been substantially completed in accordance with the Plans. The City shall make such loan forgiveness within thirty (30) days after Developer submits sufficient proof of the completion of each Building and evidence that all other conditions precedent set forth herein have been satisfied.

4. Conditions Precedent to the City's Obligations.

a. *General Conditions.* In addition to all other conditions and requirements set forth in this Agreement, all of the obligations of the City under this Agreement are conditioned upon the satisfaction of each and every one of the following conditions:

i. For each Developer Entity, Developer shall promptly provide the City with (A) evidence that such Entity is authorized to enter into this Agreement and that the persons signing this Agreement on behalf of such entity are authorized to so sign this Agreement and to bind such entity to the terms and conditions of this Agreement, (B) a certified copy of its organizational documents, (C) a certificate of status issued by the Wisconsin Department of Financial Institutions or the applicable jurisdiction, and (D) resolutions or consents of its board of directors, partners or members, as the case may be, approving this Agreement and the transactions which are the subject of this Agreement. Developer shall provide this documentation on or before the Effective Date.

ii. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

iii. The City, through its City Council, shall have approved or authorized this Agreement and the transactions contemplated herein, and all other agreements and/or transactions which require approval.

b. *Conditions to Sale of the Property.* In addition to the foregoing and all other conditions and requirements set forth in this Agreement, the obligation of the City under this Agreement to sell the Property to Developer at Closing is conditioned upon the satisfaction of each and every of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Developer shall promptly provide financial information for each Developer Entity to the City, which information shall be in form and content acceptable to the City, including evidence that Developer has available funds sufficient to complete the Project.

iii. Developer shall provide evidence that the Memorandum will be recorded, at Developer's expense, immediately after the Deed at Closing.

iv. Developer shall have executed and delivered such other closing documentation and reasonably requested by the City or Developer's title company, if any.

c. *Conditions to Each Disbursement of Loan Proceeds.* In addition to the foregoing and all other conditions and requirements set forth in this Agreement, the obligation of the City under this Agreement to provide each installment of the Loan is conditioned upon the satisfaction of each and every of the following conditions:

i. No uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement. Developer shall not be in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

ii. Developer shall have executed, delivered and, as applicable, recorded the Note, Mortgage and any other document reasonably requested by the City to evidence the Loan.

iii. Closing shall have occurred.

iv. City shall have approved a list of all contractors employed in connection with the construction of the Project, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, the labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialman. Any change in the general contractor shall require the prior written consent of City, which consent may be withheld in City's sole discretion. Any change in the list of contractors or any change in any materialmen providing goods or services to the Project shall require the delivery by Developer of written notice thereof and delivery of an updated list of contractors within a reasonable time after such change is made.

v. Developer shall submit an executed copy of each and every construction contract or design-building agreement for the Project to the City. Such construction contracts or design-building agreements must be reasonably acceptable to the City.

vi. Developer shall provide the City with written evidence of Developer's expenditures to date with respect to the Project and such other documentary evidence as required herein.

vii. Developer, at its sole cost and expense, will provide the Project Cost Breakdown to the City. The Project Cost Breakdown shall be certified by Developer, its Project architect and general contractor as accurate and complete and shall be acceptable to the City. The Project Cost Breakdown must show a state of facts acceptable to the City. Any revisions to the Project Cost Breakdown shall be subject to the City's review and approval.

viii. Developer shall have completed the Plans which must be acceptable in all respects to the City. Any revisions to the Plans shall be subject to the City's review and approval.

ix. Developer shall provide the City with a detailed completion schedule for the Project which must be acceptable to the City. Such schedule shall specify the timing of all material aspects of the Project. Any revisions to such completion schedule shall be subject to the City's review and approval.

x. Developer shall provide financial information of Developer to the City, which information shall be in form and content acceptable to the City, including, without limitation, evidence that Developer has available funds sufficient to complete the Project.

xi. Developer shall provide the City with such other documentary evidence as reasonably requested by the City for the construction draw, including, without limitation, appropriate lien waivers and affidavits.

d. *Conditions to Loan Forgiveness*. In addition to the foregoing and all other conditions and requirements set forth in this Agreement, the City shall have no obligation under this Agreement to forgive any portion of the Loan if an uncured default, or event which with the giving of notice or lapse of time or both would be a default, shall exist under this Agreement or if Developer is in default (beyond any applicable cure or grace period) of any of its obligations under any other agreement or instrument with respect to the Project to which Developer is a party or an obligor.

All submissions given to the City to satisfy the conditions contained in this Section 4 must be satisfactory in form and content to the City, in its reasonable discretion.

5. Additional Representations, Warranties and Covenants of Developer. Developer represents and warrants to the City and agrees and covenants with the City as of the Effective Date as follows:

a. All copies of documents, contracts and agreements which Developer has furnished to the City are true and correct in all material respects.

b. Developer has paid, and will pay when due, all federal, state and local taxes, and will promptly prepare and file returns for accrued taxes prior to any taxes becoming delinquent.

c. Developer will timely pay for all work performed and materials furnished for the Project.

d. No statement of fact by Developer contained in this Agreement and no statement of fact furnished or to be furnished by Developer to the 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 at the time when made.

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

f. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of each Developer Entity and constitute the valid and binding obligations of each Developer Entity enforceable 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.

g. The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with any Developer Entity's organizational documents or any indenture, instrument or agreement by which such Developer Entity is bound, nor will the execution, delivery, or performance of Developer's obligations pursuant to this Agreement violate or conflict with any law applicable to any Developer Entity or the Project.

h. There is no litigation or proceeding pending or threatened against or affecting Developer or the Project that would adversely affect the Project or Developer or the enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform its obligations under this Agreement.

i. The Project Cost Breakdown approved by the City accurately reflects all Project costs that will be incurred in the development, completion, construction, furnishing and equipping of the Project, and the City is entitled to rely on the Project Cost Breakdown. Developer knows of no circumstances presently existing or likely to occur which would or could be expected to result in a variation or deviation from the Project Cost Breakdown.

j. All construction of the Project to date has been made substantially in conformity with the Plans and in compliance with the terms and conditions of this Agreement.

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 Developer is not in default (beyond any applicable cure or grace period) of any of its obligations under any other agreement or instrument entered into in connection with the Project.

l. Developer agrees to pay timely all generally applicable property taxes assessed and levied in connection with the Property under applicable property tax laws, rules, rates, regulations and ordinances in effect from time to time. Nothing in this Agreement shall impair any statutory rights of the City and other taxing authorities with respect to the assessment, levy, priority, collection and/or enforcement of real estate and personal property taxes.

The representations and warranties contained herein shall be true and correct at all times as required by this Agreement. Without limiting the generality of the foregoing sentence, the representations and warranties above shall be deemed to have been made again by Developer at Closing, again at each disbursement of the Loan, and again at each installment of Loan forgiveness. Developer shall comply with all covenants contained herein at all times during the term of this Agreement.

6. Representations and Warranties of the City. The City represents and warrants to Developer that:

a. The City is a municipal corporation and political subdivision organized under the laws of the State of Wisconsin.

b. The City has the authority to enter into this Agreement and carry out its obligations hereunder pursuant to the authority granted to it by the Wisconsin Constitution and State law.

c. The City will cooperate with Developer throughout the term of this Agreement and shall use its best efforts to promptly review and/or process all submissions and applications in accordance with applicable City ordinances and policies.

d. The activities of the City pursuant to this Agreement are undertaken for the purpose defined in Section 66.1105 of the Wisconsin Statutes.

e. The parties below on behalf of the City have been fully authorized to execute this Agreement on behalf of the City. When executed and delivered to Developer, this Agreement shall constitute a legal, valid and binding obligation of the City, enforceable in accordance with its terms.

7. **AS-IS PURCHASE; RELEASE OF THE CITY**. DEVELOPER ACKNOWLEDGES AND AGREES THAT DEVELOPER WILL HAVE SUFFICIENT OPPORTUNITY TO INSPECT THE PROPERTY PRIOR TO CLOSING AND THAT THE CITY IS CONVEYING AND DEVELOPER IS ACCEPTING THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY. AS A PART OF ITS AGREEMENT TO ACCEPT THE PROPERTY IN ITS "AS IS" CONDITION, DEVELOPER, FOR ITSELF AND ITS SUCCESSORS, ASSIGNS, AGENTS, EMPLOYEES, CONTRACTORS AND INVITEES, HEREBY WAIVES, DISCHARGES AND RELEASES THE CITY FROM ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES WHATSOEVER, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH OR RELATED TO THE PHYSICAL, GEOLOGICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY PAST OR PRESENT CONDITION OF OR ACTION ON OR ABOUT THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS OR TOXIC MATERIAL AT, UNDER OR IN THE GENERAL VICINITY OF THE PROPERTY) OR THE CURRENT OR PREVIOUS VIOLATION OF ENVIRONMENTAL LAWS AT THE PROPERTY, IF ANY.

8. Default.

a. *Developer Default*. The occurrence of any one or more of the following events shall constitute a default ("Default") hereunder:

i. Developer shall fail to pay any amounts due from it under this Agreement or the Note or the Mortgage on or before the date when due; or

ii. Any representation or warranty made by Developer in this Agreement or the Note or the Mortgage, or any document or financial statement delivered by Developer pursuant to this Agreement, shall prove to have been false in any material respect as of the time when made or given; or

iii. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations (other than payment obligations, which is addressed in subparagraph (a) above) under this Agreement or the Note or the Mortgage, and such failure shall continue for thirty (30) days following notice thereof from the City to Developer (or such longer period of time as is necessary to cure the default as long as Developer has commenced the cure of the default within the 30-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than 60 days following the notice thereof from the City); or

iv. Construction of any portion of the Project shall cease for any reason for more than one hundred eighty (180) consecutive days (provided that if construction of any portion of the Project shall cease for any reason for ninety (90) consecutive days Developer has provided written notice to City that includes the reason for such delay and a reasonable estimate of the ultimate length of the delay), or if any portion of the Project shall be damaged by fire or other casualty and not promptly repaired, rebuilt or replaced; or

v. Developer shall: (i) become insolvent or generally not pay, or be unable to pay, or admit in writing its/his inability to pay, its/his debts as they mature; or (ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its/his assets; or (iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or (iv) have a petition or application filed against it/him in bankruptcy or any similar proceeding, or have such a proceeding commenced against it/him, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer or Guarantor shall file an answer to such a petition or application, admitting the material allegations thereof; or (v) apply to a court for the appointment of a receiver or custodian for any of its/his assets or properties, or have a receiver or custodian appointed for any of its/his assets or properties, with or without consent, and such receiver shall not be discharged within ninety (90) days after its/his appointment; or (vi) adopt a plan of complete liquidation of its/his assets; or

vi. If Developer shall dissolve or shall cease to exist; or

vii. A default shall occur on any other indebtedness of or loan to Developer, or a default shall occur under any mortgage or other lien or encumbrance affecting the Property.

viii. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations (including any payment obligations) under any other contracts or agreements with respect to the Project.

Upon the occurrence of any Default, the City at its option, may pursue any or all of the rights and remedies available to it at law and/or in equity and/or under this Agreement and/or under any of the other agreements contemplated herein, including, without limitation, the Repurchase Right if applicable. Upon the occurrence of any Default, any amounts due to the City shall accrue interest at the rate of one percent (1%) per month.

b. *City Default.* In the event the City is in default hereunder, Developer shall be entitled to take any action allowed by applicable law by virtue of said default provided that Developer first gives the City written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than sixty (60) days in which the default may be cured by the City. In the event of a default by the City that remains uncured, Developer may seek any remedy available to Developer under the terms of this Agreement or take any other action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement, including securing an injunction to prevent harm.

9. <u>Transfers; Assignment</u>.

a. <u>Transfer of the Property</u>. Developer shall not, directly or indirectly, sell, assign, transfer, convey, mortgage or encumber the Property during the term of this Agreement unless it first obtains the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Any transfer of the Property, in whole or in part, shall be subject to the Repurchase Right and the Right of First Refusal.

b. <u>Transfer of Ownership Interest in Developer</u>. Developer shall not permit the sale, assignment, or transfer of 25% or more of the outstanding ownership interest in Developer during the term of this Agreement unless it first obtains the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

c. <u>Assignment of Development Agreement</u>. Developer shall not have the right to assign this Agreement to any other party without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. No assignment of this Agreement shall serve to release Developer from any liability or obligations under this Agreement. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

10. <u>Tax Exempt Covenant; Payment in Lieu of Taxes</u>.

a. <u>Tax Exempt Covenant</u>. Developer agrees that it will not, directly or indirectly, sell, lease, assign or otherwise transfer or convey any interest in the Property to a person or entity exempt from general property taxation or in a manner which would cause all or any portion of the Property to be exempt from general property taxation without the City's prior written consent, which consent may be withheld in the City's sole and absolute discretion (the "Tax-Exempt Covenant"). The City may condition its consent on a separate payment in lieu of taxes agreement with the proposed transferee. The Tax-Exempt Covenant shall be referenced in the Memorandum, shall be included in the Deed Restrictions, will run with the land, and will bind all current and subsequent owners in title to the Property. In the event the Tax-Exempt Covenant is not valid or enforceable or if for any reason the Tax-Exempt Covenant is terminated, then, for any period of time that all or any portion of the Property is exempt from general property taxation, Developer and its successors and assigns shall make annual payments in lieu of taxes to the City in an amount equal to the property taxes that would otherwise have been paid as property taxes on the Property, or the applicable portion thereof. The Tax Exempt Covenant shall survive the termination of this Agreement.

b. Payment in Lieu of Taxes. In the event the Property, or any part of it, becomes exempt or partially exempt from general property taxes during the term of this Agreement, whether or not pursuant to a transfer consented to by the City, Developer and its successors and assigns shall make annual payments in lieu of taxes to the City in an amount equal to the property taxes that would otherwise have been paid as property taxes on the Property, or the applicable portion thereof. The terms of this Section 9.b shall run with the Property and bind all owners in title to the Property and shall survive the termination of this Agreement.

11. Repurchase Right; Right of First Refusal.

a. Repurchase Right. Prior to the completion of the Project, upon the occurrence of a Default, the City shall have the right, but not the obligation, to repurchase the Property as set forth in this subsection (the "Repurchase Right"). The Repurchase Right gives the City the option of repurchasing the Property at the original Purchase Price, plus the hard costs, less depreciation, if any, of any improvements made to the Property in conformity with the Plans and with cost documentation reasonably acceptable to the City. The Repurchase Right shall be referenced in the Memorandum, will run with the land and will bind all current and subsequent owners in title to the Property.

b. Right of First Refusal. If, during the term of this Agreement, Developer: (i) receives a bona fide offer to purchase or exchange all or any portion of the Property, which offer Developer desires to accept; or (ii) makes a bona fide offer to sell or exchange all or any portion of the Property; or (iii) proposes to enter into a bona fide agreement for the sale and purchase or exchange of all or any portion of the Property (in any of such cases, an "Offer"), then, in every such case, Developer shall give the City written notice of such Offer setting forth the name and address of the proposed purchaser, the amount of the proposed purchase price, and all other material terms and conditions of such Offer. The City shall have the right of first refusal to purchase the Property, or the applicable portion thereof, at the price and on the terms and conditions as contained in the Offer (the "Right of First Refusal"). The City may exercise the Right of First Refusal by giving written notice to Developer of its intention to purchase within sixty (60) days after the City receives written notice of the subject Offer from Developer (the "Offer Period").

If the City gives timely notice of its intention to exercise the Right of First Refusal, closing shall occur in the time and manner described in the subject Offer, as the same may be amended from time to time by agreement of Developer and the City. If the City does not agree to purchase the Property, or portion thereof, based on the Offer prior to the end of the Offer Period, Developer may sell the Property, or portion thereof, to the proposed third party purchaser pursuant to the terms of the Offer (an "Approved Sale"). If the Approved Sale does not occur within one hundred eighty (180) days after the end of the Offer Period or the Offer is terminated, then any sale of the Property, or such portion thereof, will again be subject to the Right of First Refusal described above. Any sale of the Property or portion thereof to a third party in accordance with an Approved Sale shall be subject to Section 9 of this Agreement. The Right of First Refusal shall be referenced in the Memorandum, will run with the land and will bind all current and subsequent owners in title to the Property. ANY CONVEYANCE OF THE PROPERTY CONTRARY TO THE RIGHT OF FIRST REFUSAL SHALL BE NULL AND VOID.

12. Term. The term of this Agreement shall commence on the Effective Date shall continue, unless terminated earlier as provided herein, until the latest to occur of (i) repayment in full of the Loan; (ii) Project Completion; and (iii) termination of the TID.

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

Notices to Developer:

Aedifix Holdings, LLC
500 Lorry Street
PO Box 40
Amherst, WI 54406
Attn: Jason B. Blenker

Notices to the City:

City of Wausau
407 Grant Street
Wausau, WI 54403
Attn: City Clerk

with a copy to:
City of Wausau
407 Grant Street
Wausau, WI 54403
Attn: City Attorney

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.

14. Recording. Recording of this Agreement is prohibited except as allowed in this paragraph. The parties shall promptly execute and record a short form memorandum in the form attached hereto as Exhibit E. Such memorandum shall be recorded prior to any mortgages or other liens.

15. Joint and Several Obligations. Each Developer Entity shall be jointly and severally liable for the performance of all obligations of Developer under this Agreement, and the City may bring suit against each such entity, jointly or severally, or against any one or more of them.

16. Miscellaneous.

a. No Personal Liability. Under no circumstances shall any alderperson, council member, officer, official, director, attorney, employee or agent of the City or the Developer have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

b. Waiver; Amendment. No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the City and Developer, and then only to the extent specifically set forth in writing. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

c. Binding Contract. The parties hereto acknowledge that Developer will expend material sums of money in reliance on City's obligations under this Agreement in connection with negotiating and executing this Agreement, conducting the inspections contemplated by this Agreement and preparing for Closing, and that Developer would not have entered into this Agreement without the right to perform its due diligence. In consideration of the foregoing and the provision of a $100 nonrefundable deposit (the "Independent Consideration"), the parties agree that adequate consideration exists so that Developer's rights to terminate this Agreement do not render this Agreement illusory. City and Developer each waive any and all rights to challenge the enforceability of this Agreement on the basis that any of the conditions or contingencies set forth herein are at City's or Developer's sole discretion or that any of the agreements contained herein are illusory. If either party challenges the enforceability of this Agreement in a manner that is inconsistent with the foregoing waiver, such party shall pay the other party's costs and expenses (including reasonable attorneys' fees) in enforcing this Agreement. The Independent Consideration is in addition to and independent of any other consideration or payment provided for in this Agreement and shall be retained by City notwithstanding: (a) the exercise of Developer's rights to terminate the Agreement, and/or (b) any other provision of this Agreement. The Independent Consideration shall be applied to the purchase price if this transaction closes. The Independent Consideration shall be paid by Developer to City from the Earnest Money if this Agreement is terminated and Developer is entitled to receive the Earnest Money after such termination.

d. Entire Agreement. This Agreement and the documents executed pursuant to this Agreement contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection with this Agreement. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof.

e. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Developer and the City, and no third party (other than successors and permitted assigns) shall have any rights or interest in any provision of this Agreement, or as a result of any action or inaction of the City in connection therewith. Without limiting the foregoing, no approvals given pursuant to this Agreement by Developer or the City, or any person acting on behalf of any of them, shall be available for use by any contractor or other person in any dispute relating to the Project.

f. Severability. 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.

g. Governing Law. This Agreement is governed by, and must be interpreted under, the internal laws of the State of Wisconsin. Any suit arising or relating to this Agreement must be brought in Marathon County, Wisconsin.

h. Time is of the Essence; Deadlines. Time is of the essence with respect to this performance of every provision of this Agreement in which time of performance is a factor. In the event a deadline herein falls on a non-business day, the deadline shall be deemed to fall on the next following business day.

i. 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 the City and Developer.

j. Captions and Interpretation. The captions of the articles and sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms of this Agreement. Whenever required by the context of this Agreement, the singular includes the plural and the plural includes the singular.

k. Counterparts/Electronic Signature. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument representing the agreement among the parties. Facsimile signatures and PDF email signatures shall constitute originals for all purposes.

[SIGNATURE PAGE FOLLOWS]

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

DEVELOPER:

AEDIFIX HOLDINGS, LLC

By: ______________________
Jason Blenker, Manager

JL WYATT 529, LLC

By: ______________________
Jason Blenker, Manager

JJ TAGGART 529, LLC

By: ______________________
Jason Blenker, Manager

JH REARDEN 529, LLC

By: ______________________
Jason Blenker, Manager

CITY:

CITY OF WAUSAU

By: Robert B Mielke
Robert B. Mielke, Mayor

Attest: Toni Rayala
Toni Rayala, Clerk

We Are Wausau Resolution

WHEREAS, we are Wausau. We urgently, intentionally, and lovingly call on Wausau's residents, visitors, workers, business owners, non-profit leaders, community organizers, religious institutions, schools, and elected leaders to help us develop a city culture and community where all feel welcomed and fall in love with our community the way we have fallen in love with Wausau; and

WHEREAS, we are Wausau. We recognize that our social, economic, and collective physical and mental well-being is grounded in our community's ability to ensure we are an open, inclusive, and welcoming place to live, learn, work, and enjoy life; and

WHEREAS, we are Wausau. Our diversity comes in a variety of abilities, expressions, colors, origins, ages, experiences, statuses, histories, and belief systems. We hold each other up and celebrate cultural milestones with each other as we continue to make Wausau the kind of place everyone wants to call home. We see and hear and appreciate and participate in the human diversity that strengthens and expands our community; and

WHEREAS, we are Wausau. We rise to meet the challenges that misunderstandings about our diverse experiences may present. We seek to listen to understand each other. We aspire to learn from each other about our diverse experiences and barriers so we can empathetically and soundly inform our community's policies; and

WHEREAS, we are Wausau. We strive to create a community environment where all residents can celebrate and embrace our rich multicultural heritage without the fear of intimidation or hate. When we fall short, we will compassionately and firmly hold each other accountable; and

WHEREAS, we are Wausau. Because we want our community to be an open, inclusive, and diverse place to live, we will continue to work to achieve equity and to foster understanding. We recognize that words have power and when we say equity, we mean sustainable and just access to resources that will help us all gain entry to the American dream but we realize that we don't all start in the same place; and

WHEREAS, we are Wausau. We know our expression as a progressive, welcoming community is fundamental to achieving our social and economic goals; and

WHEREAS, we are Wausau. We are committed to being A Community for All in aspiration and in reality;

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that we are Wausau and Wausau is "A COMMUNITY FOR ALL" and will continue to promote an environment that accepts, celebrates, appreciates, and promotes diversity within the community and denounce actions trying to divide us through hate or discrimination.

BE IT FURTHER RESOLVED that the City calls on our partners in government, residents, families, business owners, non-profit leaders, community organizers, religious institutions, and schools to join us as a united community and do the same.

BE IT FURTHER RESOLVED that the Wausau City Council, Mayor, and City Staff will work to inform policy discussions, keeping the diversity of abilities, expressions, colors, origins, ages, experiences, statuses, histories, and belief systems present in our community in mind as we chart our future together.