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

OFFICIAL NOTICE AND AGENDA

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

Meeting: Economic Development Committee

Date/Time: Tuesday, November 1, 2022 at 5:15 p.m.

Location: City Hall, Council Chambers

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

AGENDA ITEMS FOR CONSIDERATION

(All items listed may be acted upon)

1. Approval of Minutes from 10/17/22

2. Discussion and possible action approving First Amendment to Planning Option for Gorman & Co. at 415 S. 1st Avenue (Brodek, **Gorman rep**)

3. Discusion and possible action approving sale of 110 S. 84th Avenue in the Business Campus to Wausau Coated Enterprises II, LLC (Fifrick)

4. Discussion and possible action on the Waiver of First Right of Refusal for Jim N.E. Cricket, LLC at 309 McClellen Street (Wausau Museum of Contemporary Art) (Stratz)

5. Discussion and possible action approving the sale of 205 N 10th Street to Nathan Tvedten (Stratz)

6. Update on parcel 722 Jefferson Street and opportunity for a COPs building (Stratz, Lt. Chittum)

7. Discussion and possible action on First Amendment to the Development Agreement of Mountain Lanes apartments at 1401 Elm Street (Michael Loy, Atty. Jacobson)

8. Discussion and possible action consenting to Assignment and Assumption of sale of Mountain Lanes apartments from 1401 Elm Street, LLC and Roland Lokre to Dean Kincaid, Inc. (Michael Loy, Atty. Jacobson)

9. Discussion and possible action approving Wausau Opportunity Zone (WOZ) Condominium Declarations and Plat (Brodek, Atty. Roang, Atty. Mella, Ghirdorzi)

10. Discussion and possible action on potential amendment to Riverlife Condo Development Agreement (Brodek)

11. **CLOSED SESSION** pursuant to 19.85(1)(g) of the Wisconsin Statutes for Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: relating to possible amendment to Riverlife Condo Development Agreement

12. **RECONVENE** into Open Session to take action on Closed Session items, as necessary

13. Discussion and possible action on December meeting date

14. Adjourn

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

This Notice was posted at City Hall and emailed to the Media on 10/27/22

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

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in it's services, programs or activities. If you need asssitance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coodinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event, the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, Alderpersons, Mayor, City Departments

MINUTES

Economic Development Committee Meeting

Date | time Tuesday, October 17, 2022, at 5:15 P.M. | *Meeting called to order by* Watson at 5:16 P.M.

In Attendance

Members Present: Sarah Watson, Chad Henke, Tom Kilian, Carol Lukens, Lisa Rasmussen

Others Present: Liz Brodek, Randy Fifrick, MaryAnne Groat, Shannon Graff, Mayor Rosenberg, Atty. Anne Jacobson, Scott Kwiecinski (Horizon Development), Tyler Sheeran (Commonwealth), Luke Samalya (Danna Capital) and Jackson Lindsay (General Capital Group), Trent Claybaugh (Gorman & Company, LLC)

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 10/4/22

Rasmussen motioned to approve, seconded by Henke to approve minutes from 10/4/22

Kilian requested the minutes from 10/4/22 be amended to include his comments in detail related to the vacant Thomas Street parcels (comments have been added to 10/4/22 minutes).

Rasmussen amended her motion to include the additional comments as requested by Kilian. Henke seconded.

Approved Unanimously 5-0

Agenda Item 2 – Discussion and possible action approving Second Amendment to East Riverfront Declaration (Brodek, Atty. Jacobson)

Brodek explained the amendment is to change the date in which regular assessments would be calculated. Initially they were to begin calculating them on 1/1/22 but the amendment is requesting this be changed to 1/1/23 as the request of a couple of the current property owners.

Kilian motioned to approve amendment, seconded by Lukens.

Approved Unanimously 5-0.

Agenda Item 3 – Discussion and possible action approving Third Amendment to East Riverfront Declaration (Brodek, Atty. Jacobson)

Brodek explained that the East Riverfront Declaration was created in part to apportion assessments for ongoing maintenance and improvement costs among owners in the Riverlife area, so each owner has proportional responsibility. Riverlife II, the Riverlife Condos is set to close on 11/2/22 so the declaration must be amended to honor the updated parcel configurations and adjust proportional responsibility throughout. She noted it's a .001 percent change to the original configurations. Brodek said the following replacements would occur:

- Exhibit B-3 would replace Exhibit B (Declaration of Lots, Common Areas, Zones)
- Exhibit C-3 would replace Exhibit C (Legal Description of Lots)
- Exhibit D-3 would replace Exhibit D (Net Square Footage and Ownership Units of Lots).

Rasmussen motioned to approve, seconded by Henke.

Approved Unanimously 5-0

Agenda Item 4 – Discussion and possible action on approving the continuation of negotiations on First Amendment to Development Agreement with RJ Elm Properties, LLC for Bantr at 1520 Elm St. (formerly referred to as 201 N 17th Ave.) (Brodek, Atty. Jacobson)

Brodek advised the committee the intent of the closed session on this project is to provide an update on negotiations with RJ Elm Properties, for the First Amendment to the Development Agreement. Brodek also clarified the property at 1520 Elm St., formerly referred to as 201 N 17th Ave, is the same project. No action taken as it is agendized for closed session.

Agenda Item 5 – Discussion and possible action on 700 Grand RFP responses (Fifrick, Brodek)

Fifrick explained to the committee that it was requested that the developers update their proposals to reflect 100% affordable housing to illustrate what the cost would look like, of which the updates were provided in the packet. No action during this time as it is agendized for closed session. Fifrick updated the committee regarding the trees on the site currently, and said UW Extension, who operates the gardens on the property, advised the city that they no longer planned to utilize the site after this year and are currently working with another organization to have the trees relocated in Spring of 2023. Additionally, Fifrick stated conversations with Inspections it was determined standard parking is 1.5 stalls per unit for market rate projects. He explained it could vary widely based on projected future zoning for the project and that typically affordable housing developments require less parking.

Lukens noted she spoke with District 1 residents and said several expressed concerns regarding the traffic on that corner and if there has been a traffic study done for that area.

Brodek responded that she didn't believe a traffic study has been done to determine if the traffic could be accommodated but noted staff met with other departments many times to reveal and address any potential issues the site may have and no concerns regarding traffic were brought forward by any other department. Brodek also explained 700 Grand was acquired because it was thought a street reconstruction project, such as street widening, would be done by the DOT but it has since been taken off the books. Brodek stated this is the reasoning behind reserving 10' of right of way in case something would need to be done in the future.

Kilian requested an explanation of how TIF would work because the parcel is not currently in a TIF district or near the boundary.

Brodek explained in the TID plan that was adopted by the City (unknown adaptation date) the city can use TIF funds to accommodate development within a ½ mile radius of that TID and 700 Grand falls into that ½ mile radius. She explained the other option is to put it in a TID and potentially extend boundaries by using contiguous tax-exempt properties.

Groat also responded saying the city could use the extra one year for low-income housing because of a couple of TID's ready to close but also said that based on the developer's timelines, the city could be in a different situation then and it may be easier to create a different TID. She explained low-income housing doesn't generate tax base to recover the cost of the TIF ask so the city would rely on other development to fund the shortfall in the cash flow.

Rasmussen said it would be optimal if the city is able to capture a year of closed TID district increment and convert it to a project like 700 Grand. She noted there wouldn't be added obligations to TID 8 but would still be able to repurpose the increment captured from the closed district. Rasmussen also suggested capturing the increment from a closed district could also be used in combination with ARPA funds.

Agenda Item 6 – 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: relating to Update and Review of T. Wall/Foundry on Third Development Agreement & Review and Possible Action on Third Amendment to Riverlife Condos Development Agreement.

Motioned by Rasmussen, seconded by Kilian to move into closed session.

Roll call vote Approved unanimously 5-0.

Agenda Item 7 – RECONVENE into Open Session to take action on Closed Session items, as necessary

Rasmussen motioned to select the project presented by Commonwealth Companies and direct staff to move forward with the appropriate negotiations. Seconded by Henke.

Approved unanimously 5-0.

Agenda Item 8 – Adjourn

Kilian/Henke

Approved unanimously 5-0.

Meeting adjourned at 6:26 p.m.

FIRST AMENDMENT TO PLANNING OPTION AGREEMENT

This Amendment ("Amendment") to the Planning Option between the City of Wausau, a municipal corporation of the State of Wisconsin ("CITY") and Gorman & Company, LLC ("DEVELOPER") is made this _______ day of ___________, 2022.

WHEREAS, the City of Wausau and Gorman & Company, LLC entered into a Planning Option for the property located at 415 S. 1st Avenue on December 8, 2021 ("Option"); and

WHEREAS, the Option expires on December 31, 2022; and

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

WHEREAS, the DEVELOPER wishes to extend the Option but for a period longer than six (6) months given the WHEDA tax credit delay.

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

1. As to paragraph 1.(a), Planning Option. The Option shall be extended to December 31, 2023 for an additional $10.

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

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

CITY OF WAUSAU BY:

____
Katie Rosenberg, Mayor

____
Kaitlyn A. Bernarde, Clerk

GORMAN & COMPANY, LLC BY:

____
Brian Swanton, President/CEO

To: Economic Development Committee

From: Randy Fifrick, Economic Development Manager

Date: November 1, 2022

Re: Wausau Coated Request to Purchase City Property

Wausau Coated Enterprises II, LLC is requesting City approval for the sale of a 1.72 acre parcel of City-owned property in the Wausau Business Campus currently addressed as 110 S 84th Avenue. Wausau Coated Enterprises II is proposing using the property for additional parking for their Roastar building. This property would be combined with their existing property to the south and will allow for a future expansion of the Roastar building of approximately 40,000 square feet on that parcel.

Their proposed purchase price for the land is $10,000. The City's typically asking price of $12,500 per acre is being reduced based on the limited development area on this currently land locked property based on the setbacks associated with the stream that traverses the north portion of the parcel. At least one acre of this parcel will be limited from development due to the 75-foot setback associated with the creek.

Summary

- Size of Parcel: 1.72 Acres
- Requested Sale Price: $10,000
- Land Use: Parking Lot / Future Expansion
- Timeline: Closing before Dec 31, 2022

Staff recommends the City approve the sale of 1.72 acres of land in the Business Campus at 110 S 84th Ave to Wausau Coated Enterprises II for the cost of $10,000.

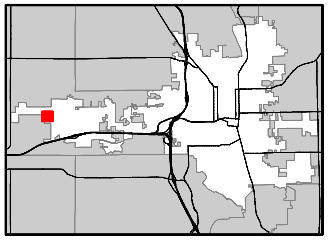
ArcGIS Web Map

City of Wausau / DPW

Date:

0 0.01 0.03
mi

- Municipal Boundaries
- Parcel
- River - Stream
- Lake - Pond



N

NOTES:
1. Duplication of this map is prohibited without the written consent of the City of Wausau DPW / GIS Dept.

2. This map was compiled and developed by the City of Wausau and Marathon County GIS. The City and County assume no responsibility for the accuracy of the information contained herein.

3. City of Wausau
Public Works / GIS Division
407 Grant St
Wausau, WI 54403
www.ci.wausau.wi.us

October 13, 2022

Randy Fifrick

Economic Development Mgr.

City of Wausau

407 Grant Street

Wausau, WI 54403

Randy:

In 1996, Wausau Coated Enterprises II (WCEII) built the 109,250 ft2 building located at the corner of 84^{th} ave. and Industrial Drive. At that time, it housed part of the operations of Wausau Coated Products (WCP). In 2008, Planet Label (now called Roastar) started sharing the building with WCP. Then, in 2013, WCP purchased the old Fiskars property on the west side of 77th ave. and relocated all of its equipment to that location over the following 3 years. Roastar now occupies 80% of the WCEII building and has undergone significant growth in the past 3 years.

It is that growth that is necessitating WCEII's purchase of additional property for Roastar. Initially, this property will be used for parking but within 3 years, we expect to expand the Roastar building by about 40,000 ft2. WCEII, LLC is offering to pay $10,000 for CSM 11.22, the 1.72 acre lot just to the north of our current property. Because of the wetlands to the west and north of our building, we will be working with our builder to figure out the layout for our expansion. We would hope to close on this property before Dec. 31, 2022.

If you have any further questions on this transaction, just let me know (cell #: 608-338-5659).

Sincerely,

Bill Reif

Bill Reif

Consultant, the Reif Family Companies

Planning, Community and Economic Development
Liz Brodek, Development Director

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

MEMO

From: Tammy Stratz, Community Development Department

To: Economic Development Committee Members

Re: Consider Waiver of City's Right of First Offer on Jim N. E Cricket LLC (Wausau Museum Of Contemporary Art)

Date: November 1, 2022

Mr. David Hummer, representative of Jim N E Cricket LLC and owner of the Wausau Museum of Contemporary Art received a City of Wausau Commercial Rehabilitation Loan to assist with repairs when he purchased and renovated 309 McClellan Street. As a part of the Commercial Rehab program, the borrower signs a Right of First Refusal saying they will not sell to a non-profit which would deem the property as tax-exempt (see attached copy).

Mr. Hummer approached the City to consider waiving its First Right of Refusal to facilitate the transfer of the property from Jim N. E. Cricket, LLC over to his non-profit entity, Wausau Museum of Contemporary Art. If the non-profit qualifies for tax-exempt status, it will go against the First Right of Refusal signed at the time of the Commercial Rehabilitation Loan closing. Through discussions, it was recommended the museum pay a Payment in Lieu of Taxes (PILOT) payment to make the city whole for the services provided.

It is staff's recommendation that the waiver be approved as long as the PILOT payment is agreed upon at the current rate for the City's portion of the real estate taxes.

Document Number	MEMORANDUM OF RIGHT OF FIRST REFUSAL Document Title

MEMORANDUM OF RIGHT OF FIRST REFUSAL

This Memorandum of Right of First Refusal is made and entered into effective as of August 31, 2017 (the "Effective Date"), by and between Jim N. E. Cricket, LLC ("Owner"), and City of Wausau ("Grantee"). All capitalized terms utilized in this Memorandum of Right of First Refusal and not defined herein shall have the meaning ascribed to them in the Construction Loan Agreement between the Owner and the Grantee of even date.

RECITALS:

A. Owner and Grantee have entered into a certain Construction Loan Agreement dated August 31, 2017 (the "Construction Loan Agreement"), whereby Owner has granted to Grantee the right of first refusal on the Subject Property, as hereinafter defined, under certain terms and conditions.

B. Pursuant to the Construction Loan Agreement the Owner has agreed to certain restrictive covenants regarding real estate tax exemption which will run with the Subject Property for a period of twenty (20) years.

C. Owner and Grantee wish to provide notice of the existence of the right of first refusal and restrictions regarding tax exempt status and to provide express and specific notice of certain of its terms.

Recording Area $30 Chg. Comm Dev. Dep

Name and Return Address
Return to:
Scott A. Jackman, Esq.
Jackman Law Firm, LLC
P.O. Box 1205
Wausau, WI 54402-1205

37-291-4-2907-253-027
Parcel Identifier No.

ARTICLE 1 – AFFECTED PREMISES

Pursuant to the Construction Loan Agreement, Owner granted a right of first refusal as to the real property and all improvements located at Lot one (1) of Certified Survey Map No. 14751 recorded in the office of the Register of Deeds for Marathon County, Wisconsin, in Volume 66 of Certified Survey Maps on page 23, as Document No. 1474431; being Lots five (5), six (6) and seven (7) in Block sixteen (16) of the Original Plat of the City of Wausau, Marathon County, Wisconsin; subject to easements of record and That part of Lots two (2) and three (3) in Block sixteen (16) of the Original Plat of the City of Wausau, Marathon County, Wisconsin, described as follows: Commencing at the West ¼ corner of said Section 25; thence South 00°04'41" East, along the West line of the SW ¼ of said Section 25, 2629.66 feet to the Southwest corner of said Section 25; thence North 43°33'21" East, 1077.15 feet to the Northwest corner of said Block 16; thence South 85°12'04" East, along the North line of said Block 16, 242.24 feet to the East line of said Block 16; thence South 04°54'33" West, along said East line, 121.82 feet to the North line of Lot 4, said Block 16; thence North 85°16'32" West, along said North line and along the North line of said Lot 3, 118.50 feet to the point of beginning; thence South 04°43'28" West, 0.12 feet; thence North 85°16'32" West, 20.20 feet; thence North 04°43'28" East, 0.12 feet to the North line of said Loot 2; and thence South 85°16'32" East, along said North lines of Lot 2 and 3, 20.20 feet to the point of beginning (the "Subject Property").

ARTICLE 2 – REAL ESTATE TAXES

Owner agrees that prior to the date that is twenty (20) years after the Effective Date (the "Termination Date"), Owner (or a successor owner of the Subject Property as applicable) will pay, when due, all real ad valorem real estate taxes on the Subject Property. Owner may transfer the Subject Property to an entity or third party at any time; provided, however, that the obligation of the owner of the Subject Property to continue making ad valorem real estate tax payments shall apply through the Termination Date whether or not the entity or other third party as successor to the Subject Property is an entity or body normally exempt from paying ad valorem real estate taxes.

Upon reaching the Termination Date, all future ad valorem real estate tax payments, and applications of exemptions from ad valorem real estate taxes, shall be made in accordance with normal rules concerning the same.

ARTICLE 3 – TERM

The effective date of the Construction Loan Agreement is August 31, 2017 and the of the right of first refusal and the restrictions regarding tax exempt status runs for a period of twenty (20) years.

ARTICLE 4 – RUN WITH THE LAND; SUCCESSORS AND ASSIGNS

The right of first refusal and restrictions regarding tax exempt status shall run with the land, and be binding upon Owner and Grantee and their respective successors, heirs, legal and personal representatives, and assigns, and shall inure to the benefit of Owner and Grantee, and their respective successors, heirs, legal representatives, and assigns.

ARTICLE 5 - INCORPORATION BY REFERENCE

The terms and conditions of the Construction Loan Agreement are incorporated by reference into this Memorandum of Right of First Refusal as if such terms were written out at length. In the event of a conflict between this Memorandum of Right of First Refusal and the Construction Loan Agreement, the terms and conditions of the Construction Loan Agreement shall govern. For a complete statement of the rights, privileges, and obligations created under and by the Construction Loan Agreement, reference is hereby made to the Construction Loan Agreement. Owner and Grantee have executed this Memorandum of Right of First Refusal as of the date first set forth above.

WITNESS the parties signify their agreement by executing the instrument below:

OWNER:
JIM N. E. CRICKET, LLC

By: ______________________
David Hummer, Member

By: ______________________
Rebecca Hummer, Member

GRANTEE:
CITY OF WAUSAU

By: Tammy Stratz
Print Name: Tammy Stratz
Title: Comm. Dev. Manager

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

The foregoing instrument was acknowledged before me, a notary public, by David Hummer and Rebecca Hummer, as the Members of Jim N. E. Cricket, LLC this 31st day of August, 2017.

Tammy E. Stratz
Tammy E. Stratz
Notary Public
My commission 5/28/21.

TAMMY E. STRATZ
NOTARY PUBLIC
STATE OF WISCONSIN

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

The foregoing instrument was acknowledged before me, a notary public, by Tammy Stratz, as the Comm. Dev. Mgr. of City of Wausau, this 31st day of August, 2017.

Lisa A. Parsch
* Lisa A. Parsch
Notary Public
My commission 7/25/20

NOTARY PUBLIC
LISA A. PARSCH
STATE OF WISCONSIN

This Memorandum of Right of First Refusal was drafted by Scott A. Jackman Esq., Jackman Law Firm, LLC, 2100 Stewart Avenue, Suite 140, P.O. Box 1205, Wausau, Wisconsin 54402-1205

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

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE	
Waiving the City's Right of First Refusal in Order to Allow the Title Transfer of 309 McClellan Street from Jim N. E. Cricket, LLC to Wausau Museum of Contemporary Art. Committee Action: Fiscal Impact: None	
File Number:	**Date Introduced:**

WHEREAS, Jim N. E. Cricket, LLC, wishes to transfer the ownership from the parcel they own at 309 McClellan Street to Wausau Museum of Contemporary Art, and

WHEREAS, pursuant to a recorded Memorandum of Right of First Refusal on the property gives the City of Wausau first right of refusal to allow a transfer of such property to a non-taxable entity; and

WHEREAS, Wausau Museum of Contemporary Art agrees to pay an annual Payment in Lieu of Taxes (PILOT) payment to the City of Wausau in an amount comparable to the current Wausau real estate tax portion; and

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that the City hereby allows the transfer of the property from Jim N.E. Cricket, LLC to Wausau Museum of Contemporary Art as long as the entity pays a PILOT payment to the City of Wausau on an annual basis from when the owner receives its tax-exempt status; and

BE IT FURTHER RESOLVED by the Common Council of the City of Wausau that the Mayor and Clerk are hereby authorized to execute an appropriate Waiver of Right to First Refusal to facilitate the land sale.

Approved:

____

Katie Rosenberg, Mayor

MEMO

TO**:** Economic Development Members

FROM: Tammy Stratz, Community Development

DATE: November 1, 2022

RE: Authorization of Sale of 205 N. 10th Street

The City of Wausau purchased 205 North 10th Street, Wausau in May 2012. The property was a blighted, vacant duplex that the previous landlord wished to sell. The City purchased it for $10,000, demolished the building and, the vacant lot is now part of the Property Disposition Program.

The City received the attached application requesting to purchase this parcel from the next-door neighbor for the amount of $2,000. This would increase their lot size.

As previously discussed, this parcel has several less desirable aspects making it more difficult to build on which would also increase the cost of lot preparation before it could be buildable. Therefore, staff recommends the sale of this parcel to its neighbor for the amount offered. Any closing costs would be at the buyer's expense.

WAUSAU
WISCONSIN

Planning, Community and Economic Development

PROPERTY DISPOSITION PROGRAM for REDEVELOPMENT PURPOSES APPLICATION

Date submitted: 8/28/2022 Address requesting: 205 North 10th Street, Wausau, WI 54403

Applicant's name and address: Nathan Tvedten - 201 North 10th Street, Wausau, WI 54403

Applicant's phone number: 715-499-2359

Offering purchase price: $2,000.00

Proposed use: Adjoining property owner wishing to join the vacant lot to my existing property. We are first time homeowners with a dog and baby on the way. We are looking to expand our property and likely fence in a portion of this property for family purposes.

Proposed timeline: As soon as approved.

Financing/Owner Downpayment Info: No financing needed. Complete payment upon purchase.

Applicant's signature Nathan Tvedten

Please submit pertinent documentation; i.e., drawing of proposed building, financing commitments, contractor information, income information (if required), and any other documents that may assist to better explain your proposed project.

Date Introduced to Economic Development Committee ____________

Economic Development recommendation ____________

Date Introduced at Common Council ____________

Common Council recommendation ____________

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

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE

Authorizing sale of 205 N. 10th Street

Committee Action:

Fiscal Impact: Sale of the property will result in proceeds of $2,000

File Number:	**Date Introduced:**

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

WHEREAS, the City of Wausau purchased and demolished a blighted building located at 205 N. 10th Street in May 2012;

WHEREAS, through the City's Property Disposition Program this property was targeted as a Redevelopment Property and was marketed according to the Property Disposition Program guidelines;

WHEREAS, an offer has been received from Nathan Tvedten, owner of the adjacent property, in the amount of $2000 with plans to add this parcel onto his current property; and

WHEREAS, The Economic Development Committee recommends to sell this property to Nathan Tvedten in the amount of $2000 to add it to their current property;

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Wausau hereby approves the sale to Nathan Tvedten in the amount of $2000 and hereby authorizes and directs the Mayor or appropriate staff to execute the necessary real estate documents for the conveyance of this parcel.

Approved:

____

Katie Rosenberg, Mayor

WAUSAU

...as the standard of excellence in policing

Memorandum

From: Lt. Jacob Chittum, Police Department

To: Economic Development Committee

Date: November 1st, 2022

Re: Community Oriented Policing House

Purpose:

Requesting acceptance from Economic Development Committee to accept a Community Oriented Policing House (COPs House) constructed on City of Wausau owned property, 722 Jefferson Street.

Background:

The City of Wausau was granted the Community Oriented Policing House (COPs House) Planning Grant that was created under 2021 Wisconsin Act 51 for the purpose of establishing community-oriented policing houses in Wisconsin Communities. The first phase of this grant is to support planning activities to prepare a community for creating a COPs House Program. The second phase of funding will build on the planning phase by implementing a strategic plan and acquiring a lot or house to build upon.

The program creates a home in a residential neighborhood that is staffed by law enforcement and other community partners. The planning team has concluded this house will be geared towards community outreach, with the primary focus being on children. Through research and published data, Hawthorn Hills School has one of the highest percentages (72%) of economically disadvantaged student bodies in the city, as well as some of the lowest academic performance levels compared to other elementary schools in the district. This is also correlated with some of the highest calls for service and violent crime rates within the city.

Impact:

Other COPs Houses in the state have seen an increase in their success rates in schooling, as well as a dramatic decrease in calls for service and violent crime within the same neighborhood. Other positive impacts COPs Houses have created within their neighborhood are improved property maintenance in the area, improved relationships between the community and the police, community health improvements, overwhelming feeling of safety within the neighborhood, less renter turnover, improving police and landlord relationships, increase in property value, and many other positive community-based improvements.

Recommendation:

Department recommends accepting 722 Jefferson as the location for the Wausau Police Department's Community Oriented Policing House.

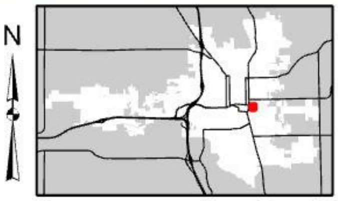
City of Wausau
Dept of Public Works / GIS Division
407 Grant Street
Wausau WI, 54403
(715) 261-6740
gis.ci.wausau.wi.us
www.ci.wausau.wi.us

NOTES:
1. Duplication of this map is prohibited without the written consent of the City of Wausau Engineering Dept.
2. This map was compiled and developed by the City of Wausau and Marathon County GIS. The City and County assume no responsibility for the accuracy of the information contained herein.
3. Imagery acquired April 26, 2020.
4. Parcel features developed from Marathon County land records.

City Owned Infill Lots

Parcel For Infill

0 50 100
Feet



Folder: P:\citybase\projects\CommDev\aprx\CityOwnedInfillLots\

DEVELOPMENT AGREEMENT
(Mountain Lanes)

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made as of December 30, 2019 (the "Effective Date"), by and among the CITY OF WAUSAU, a Wisconsin municipal corporation (the "City"); and, 1401 ELM STREET, LLC, a Wisconsin limited liability company (the "Company"), and ROLAND LOKRE ("Lokre" and, together with the Company, "Developer").

RECITALS

WHEREAS, the Company is the owner of certain 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, Developer has proposed to develop the Property as set forth herein; and

WHEREAS, the City has, pursuant to the authority granted in Wisconsin Statutes, Section 66.1105, created two Tax Incremental Districts, including the City of Wausau Tax Increment District Six and the City of Wausau Tax Increment District Eight (collectively, the "TID"), and adopted or will adopt a Project Plan or each (collectively and as each is 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, the Property is located within the TID; and

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

WHEREAS, the City has determined that the proposed development at the Property 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" means this Development Agreement.

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

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

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

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

f. "Minimum Construction Cost" means at least Seven Million, Five Hundred Thousand Dollars ($7,500,000.00).

g. "Plans" means final detailed plans and specifications for 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 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.

h. "Project" means the redevelopment of the Property as a mixed-use multifamily residential complex as set forth in the Proposal, including, but not limited to the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of the Property.

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

j. "Project Commencement Deadline" means December 31, 2019.

k. "Project Completion" means the substantial completion of all of the Project, as determined by the City in its reasonable discretion. Substantial completion means the occurrence of each of the following: (i) a certificate of occupancy is issued by the appropriate governmental authorities for the Project, as applicable; and (ii) the Project architect has issued a certificate stating that the Project has been substantially completed in accordance with the Plans.

l. "Project Completion Deadline" means December 31, 2020.

m. "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. The Project Cost Breakdown shall also include Developer's proposed source(s) of funds.

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

o. "Proposal" means that certain City of Wausau TIF Application dated March 26, 2019, which was presented by Developer to the City.

p. "Tax Increment Allocation" means a cumulative total amount of the Tax Increment equal to $601,520.00 pursuant to the terms and conditions set forth below.

q. "Tax Increment" for any given calendar year is the amount derived by: (i) taking the total real property tax revenues paid by Developer and actually received and retained by the City from real property tax payments on the Property and then (ii) subtracting the Tax Increment Base Year Amount. In the event of a negative number, the Tax Increment for such year shall be $0.00.

r. "Tax Increment Base Year Amount" means the real property taxes payable for calendar year 2019 based on the assessed value of the Property as of January 1, 2019.

s. "Tax Increment Grant" means, as described in more particularity below, a grant from the City in up to eight (8) annual installments of a percentage of Tax Increment not to exceed a cumulative amount of the Tax Increment Allocation.

t. "Tax Increment Grant Amount" for any given calendar year means an amount equal to the Tax Increment Percentage multiplied by the Tax Increment actually collected for such year.

u. "Tax Increment Percentage" means One Hundred Percent (100%).

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

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

2. Construction and Operation of the Project by Developer; Preconditions for Grant. Developer agrees and covenants with the City as follows:

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

b. Construction of the Project shall commence no later than the Project Commencement Deadline, and upon commencement, Developer will diligently continue construction of the Project substantially in accordance with the construction schedule approved by the City and shall achieve Project Completion no later than the Project Completion Deadline.

c. 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. 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.

d. 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.

e. 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.

f. Developer shall spend at least the Minimum Construction Cost in construction costs at the Property in connection with the Project. Developer's expenses from purchasing the Property shall not be included in such amount, nor shall any soft construction costs.

3. Available Tax Increment Grant by the City. Subject to the terms and conditions of this Agreement, the City agrees to make, and Developer agrees to accept, the Tax Increment Grant as partial reimbursement for the construction of the Project. The Tax Increment Grant shall be made in up to eight (8) annual installments on or before November 1 of each year in the amount of the Tax Increment Grant Amount for the prior calendar year up to the cumulative maximum amount of the Tax Increment Allocation; provided, however, that the amount of the Tax Increment Grant in each year is further limited to the amount of the 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 2021 for payment of the Tax Increment Grant Amount for calendar year 2020, and the final scheduled annual payment of the Tax Increment Grant shall be in 2028 for payment of the Tax Increment Grant Amount for calendar year 2027. 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 Allocation. Any Tax Increment which is not appropriated and allocated toward the Tax Increment Grant Amount 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.

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. Developer shall promptly provide the City with (A) evidence that the Company is authorized to enter into this Agreement and that the persons signing this Agreement on behalf of the Company are authorized to so sign this Agreement and to bind the Company to the terms and conditions of this Agreement, (B) a certified copy of the Company's organizational documents,

(C) a certificate of status for the Company issued by the Wisconsin Department of Financial Institutions or the applicable jurisdiction, and (D) resolutions or consents of the Company's board of directors, partners or members, as the case may be, approving this Agreement and the transactions which are the subject of this Agreement.

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. Developer, at its cost, will promptly 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.

iv. Developer shall promptly 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.

v. Developer shall promptly 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.

vi. Developer shall promptly provide financial information of Developer 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.

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

viii. Developer shall promptly deliver to the City a standard lender comfort letter from Developer's primary lender.

b. *Conditions to Each Installment of the Tax Increment Grant.* 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 Tax Increment Grant 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. Project Completion shall have occurred on or prior to the Project Completion Deadline.

iii. Developer shall provide the City with written evidence of Developer's expenditures with respect to construction of the Project and such other documentary evidence as required herein consistent with the Project Cost Breakdown showing a minimum hard cost construction spend of at least the Minimum Construction Cost.

iv. Developer shall provide the City with evidence that the short form memorandum of this Agreement contemplated below 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.

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 and again at each disbursement of the Tax Increment Grant 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 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. The Company 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. The Company 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.

f. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Company 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.

g. The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with the Company'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.

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. 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. 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.

k. 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. Developer shall comply with all covenants contained herein at all times during the term of this Agreement.

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

a. 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

b. Developer shall breach or fail to perform timely or observe timely any of its covenants or obligations under this Agreement, 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

c. Construction of the Project shall be abandoned for more than sixty (60) consecutive days or if any portion of the Project shall be damaged by fire or other casualty and not repaired, rebuilt or replaced within a reasonable time thereafter; or

d. 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

e. If the Company shall dissolve or shall cease to exist, or Lokre dies.

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.

7. Transfers; Assignment. 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. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties and shall run with the land.

8. Term. The term of this Agreement shall commence on the Effective Date shall continue, unless terminated by all parties, until the earliest to occur of the following: (i) payment in full of the Grant, (ii) the last scheduled disbursement of the Grant as set forth above, and (iii) Termination of both of the tax incremental districts comprising the TID.

9. Joint and Several Obligations. The Company and Lokre shall each be jointly and severally liable for the performance of all obligations of Developer under this Agreement, and the City may bring suit against either of them, jointly or severally, or against both of them.

10. Miscellaneous.

a. 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:

Rolly Lokre
3062 Village Park Dr.
Plover, WI 54467

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.

b. Recording. Recording of this Agreement is prohibited except as allowed in this paragraph. Simultaneously with this Agreement, Developer shall execute and deliver to the City the short form memorandum of this Agreement in the form attached hereto as Exhibit B, which the City may record in the real estate records.

c. 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.

d. 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.

e. 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.

f. No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of Developer and the City, and no third party 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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:

1401 ELM STREET, LLC

By: ______________________

Name: Roland Lokre

Title: Member

____

ROLAND LOKRE, individually

CITY:

CITY OF WAUSAU

By: Robert B Mielke

Robert B. Mielke, Mayor

Attest: Mary A. Goede

Mary A. Goede, Deputy, Clerk

QB\59950342.3

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 1 and Lot 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin.

Tax Parcel ID Nos.: 291-2907-274-0939 and 291-2907-274-0940

EXHIBIT B

FORM OF RECORDABLE SHORT FORM MEMORANDUM

[Attach to this cover page.]

Document Number

MEMORANDUM OF DEVELOPMENT AGREEMENT
(Mountain Lanes)

Document Name

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT (Mountain Lanes) (this "Memorandum") is made and entered into as of the 30th day of December, 2019, by and between the **CITY OF WAUSAU**, a Wisconsin municipal corporation located at 407 Grant Street, Wausau, WI 54403 (the "City"), **1401 ELM STREET, LLC**, a Wisconsin limited liability company (the "Company"), and **ROLAND LOKRE** ("Lokre" and, together with the Company, "Developer") (the City and Developer are referred to herein, collectively, as the "Parties").

WHEREAS, the Parties entered into that certain Development Agreement (Mountain Lanes) with an effective date of December 30, 2019 (as may be amended from time to time, the "Development Agreement"), with respect to certain property described on Exhibit A attached hereto (the "Property"); and

Recording Area

Name and Return Address

Anne L. Jacobson, Esq.
City of Wausau, City Attorney
407 Grant Street
Wausau, WI 54403

See Exhibit A attached hereto.
Parcel Identification Number (PIN)

This is not homestead property.

WHEREAS, the Parties desire to place this Memorandum of record in the real estate records for Marathon County, Wisconsin to provide notice to third parties of the Development Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Development Agreement.

a. Notice is hereby given that the Parties have entered into the Development Agreement affecting the Property. Until termination of the Development Agreement, the Development Agreement runs with the Property and is binding upon, benefits and burdens the Property, Developer and any subsequent owner and/or mortgagee of all or any portion of the Property and each of their successors and assigns. The term of the Development Agreement commences as of the date thereof and terminates as provided therein.

b. The terms, conditions and other provisions of the Development Agreement are set forth in the Development Agreement, express reference to which is made for greater particularity as to the terms, conditions and provisions thereof. A copy of the Development Agreement is available upon request from the City at the offices of the City Clerk.

c. This Memorandum is not a complete summary of the Development Agreement. Provisions in this Memorandum shall not be used to interpret the provisions of the Development Agreement. In the event of conflict between this Memorandum and the unrecorded Development Agreement, the unrecorded Development Agreement shall control.

2. Counterparts. This Memorandum 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.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first set forth above.

DEVELOPER:

1401 ELM STREET, LLC

By: ______________________________
Name: Roland Lokre
Title: Member

____
ROLAND LOKRE, individually

STATE OF WISCONSIN)
) ss.
COUNTY OF __________)

Personally came before me this ____ day of __________________, 2020, ROLAND LOKRE, to me known to be the person who executed the foregoing instrument and to me known to be the member of 1401 ELM STREET, LLC, and acknowledged that he executed the foregoing instrument as such authorized representative of said entity and with its authority, and individually.

____
Notary Public, State of Wisconsin
My commission:________________________

THE CITY:

THE CITY OF WAUSAU, WISCONSIN

By: ___________________________________
Robert B. Mielke, Mayor

Attest:

By: ____________________________
____________________, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ___ day of ________________, 2020, Robert B. Mielke and ________________________________, of the above-named City of Wausau, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such Mayor and Clerk, respectively, and acknowledged that they executed the foregoing instrument as such officers as the deed of said City of Wausau, Wisconsin, by its authority.

____
Notary Public, State of Wisconsin
My commission:_________________________

This instrument was drafted by:

Jeffrey R. Schneider
Quarles & Brady LLP
33 East Main Street, Suite 900
Madison, Wisconsin 53703

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 1 and Lot 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin.

Tax Parcel ID Nos.: 291-2907-274-0939 and 291-2907-274-0940

FIRST AMENDMENT TO
<u>DEVELOPMENT AGREEMENT</u>
(Mountain Lanes)

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (Mountain Lanes) (this "<u>Amendment</u>") is made as of November _____, 2022 (the "<u>Effective Date</u>"), by and among the CITY OF WAUSAU, a Wisconsin municipal corporation (the "<u>City</u>"); and, 1401 ELM STREET, LLC, a Wisconsin limited liability company (the "<u>Company</u>"), and ROLAND LOKRE ("<u>Lokre</u>" and, together with the Company, "<u>Developer</u>").

RECITALS

WHEREAS, the City and Developer entered into that certain Development Agreement (Mountain Lanes) with an Effective Date of December 30, 2019 (the "<u>Development Agreement</u>"), with respect to certain property located in the City of Wausau, County of Marathon, State of Wisconsin, as more particularly described in the Development Agreement and that certain Memorandum of Development Agreement (Mountain Lanes), dated as of December 30, 2019, and recorded on January 16, 2020, as Document Number 1796287 in the Office of Register of Deeds for Marathon County, Wisconsin ("the "<u>Memorandum</u>"); 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, the "Property" as defined in the Development Agreement included both Lot 1 and Lot 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin (the "<u>Original Property</u>");

WHEREAS, Developer completed construction of the Project but the Project is located almost entirely on Lot 2 of Certified Survey Map No. 18501 and Developer has caused that certain Certified Survey Map No. [___] recorded in the Office of Register of Deeds for Marathon County in Volume [___] of Certified Survey Maps on Page [____], in order to re-divide all of Lots 1 and 2 of Certified Survey Map No. 18501 such that the Project is located only on Lot 2 of ;

WHEREAS, because the Project is located entirely on Lot 2 of Certified Survey Map No. [___], Developer desires to have Lot 1 of Certified Survey Map No. [___] released from the Development Agreement (the "<u>Released Lot</u>"); and

WHEREAS, the City and Developer desire to amend the Development Agreement in order to, among other things, delete the Released Lot from the definition of "Property" in the Development Agreement and release the Released Property from the lien of the Memorandum, 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:

1. Scrivener's Error. Due to a scrivener's error in drafting the Development Agreement, the definition of "Project" in Section 1.h. included the term "mixed-use". Section 1.h. of the Development Agreement is hereby deleted in its entirety and replaced with the following:

> h. "Project" means the redevelopment of the Property as a multifamily residential complex as set forth in the Proposal, including, but not limited to the construction of all improvements as may be required in order to comply with applicable laws, rules, regulations, codes and ordinances in the use of the Property.

2. Waiver Resolution.

a. Developer hereby acknowledges and agrees that the Tax Increment Grant for the 2021 calendar year was forfeited by Developer because Developer failed to meet the pre-condition to the payment of the Tax Increment Grant by not providing the City with evidence that the short form memorandum of the Development Agreement 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 the Development Agreement as required by Section 4.b.iv. of the Development Agreement.

b. Subsequently to the forfeiture of the Tax Increment Grant for the 2021 calendar year, the Common Council of the City passed a resolution, introduced on June 14, 2022, with File No. 19-0514, whereby the City waived the requirement of Section 4.b.iv. of the Development Agreement and declared the Development Agreement to have been substantially complete and complied with in that respect, therefore, the City hereby agrees that the requirement of Section 4.b.iv. of the Development Agreement is satisfied with respect to every installment of the Tax Increment Grant going forward.

3. Property Description.

a. The definition of "Property" in the Development Agreement is hereby deleted in its entirety and replaced with the following:

> [Lot 2 of Certified Survey Map No. [___], being a redivision of all of Lots 1 and 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin]

b. The City and Developer hereby agree that the portion of the Original Property that is now the Released Lot is no longer included in the definition of "Property" in the Development Agreement and the Released Lot is hereby released from the lien of the Memorandum. Upon full execution of this Amendment, The City shall execute and record a Partial Release of Development Agreement (Mountain Lanes), substantially in the form attached hereto as **Exhibit A**, with respect to the Released Lot.

c. Developer hereby acknowledges and agrees that since the Released Lot will no longer be included in the Property, any Tax Increment calculated after the date of this Amendment shall not include any tax increment generated by the Released Lot and the tax increment generated by the Released Lot will not be available to pay any future installment of the Tax Increment Grant.

4. Other Amendment. Section 6.e. of the Development Agreement is hereby amended by deleting the words ", or Lokre dies".

5. Reaffirmation of Development Agreement. 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. The provisions of the Development Agreement not affected by this Amendment remain in full force and effect.

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

a. 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.

b. 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.

7. 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 First Amendment to Development Agreement (Mountain Lanes) as of the Effective Date first printed above.

DEVELOPER:

1401 ELM STREET, LLC

By: ______________________________________
Name: Roland Lokre
Title: Member

____
ROLAND LOKRE, individually

CITY:

CITY OF WAUSAU

By:______________________________________
Katie Rosenberg, Mayor

Attest: ______________________________________
Kaitlyn Bernarde, Clerk

EXHIBIT A

FORM OF PARTIAL RELEASE OF DEVELOPMENT AGREEMNT (Mountain Lanes)

[Attached.]

Document Number	**PARTIAL RELEASE OF DEVELOPMENT AGREEMENT** **(Mountain Lanes)** Document Name	

THIS PARTIAL RELEASE OF DEVELOPMENT AGREEMENT (Mountain Lanes) (this "Release") is made and entered into as of the ____ day of November, 2022, by the **CITY OF WAUSAU,** a Wisconsin municipal corporation located at 407 Grant Street, Wausau, WI 54403 (the "City").

WHEREAS, the City; **and, 1401 ELM STREET, LLC**, a Wisconsin limited liability company (the "Company"), and **ROLAND LOKRE** ("Lokre" and, together with the Company, "Developer") (the City and Developer are referred to herein, collectively, as the "Parties") entered into that certain Development Agreement (Mountain Lanes) with an effective date of December 30, 2019 (the "Original Development Agreement"), with respect to certain real property described in the Original Development Agreement (the "Original Property"), which included that real property described on Exhibit A attached hereto (the "Released Property"), a memorandum of which, dated as of January 16, 2020, in the Office of the Register of Deeds for Marathon County, Wisconsin as Document Number 1796287 (the "Memorandum");

WHEREAS, on [____________], 2022, the City and Developer entered into that certain First Amendment to Development Agreement (Mountain Lanes) (the "Amendment", and the Original Development Agreement as amended by the Amendment, and as further amended from time to time the "Development Agreement");

WHEREAS, any term used in this Release but not defined herein shall have the meaning assigned to that term in the Development Agreement;

Recording Area

Name and Return Address

Anne L. Jacobson, Esq.
City of Wausau, City Attorney
407 Grant Street
Wausau, WI 54403

See Exhibit A attached hereto.
Parcel Identification Number (PIN)

This is not homestead property.

WHEREAS, the Amendment requires the City to execute and record a release of the Released Property; and

WHEREAS, in accordance with the Amendment, the City desires to release the Released Property from the Development Agreement and to release the Released Property from the Memorandum.

NOW, THEREFORE, the City hereby releases the Released Property from the Development Agreement and the City hereby terminates the Memorandum and releases the Released Property from the Memorandum such that the Memorandum is null and void and has no force and effect with respect to the Released Property.

Except as explicitly stated herein, the Development Agreement and Memorandum each remain unchanged and in full force and effect with respect to the remainder of the Original Property.

IN WITNESS WHEREOF, the City has executed this Release as of the date first set forth above.

<u>THE CITY:</u>

THE CITY OF WAUSAU, WISCONSIN

By:______________________________________
Katie Rosenberg, Mayor

Attest:

By:________________________________
Kaitlyn Bernarde, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ___ day of __________________, 2022, Katie Rosenberg and Kaitlyn Bernarde, of the above-named City of Wausau, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such Mayor and Clerk, respectively, and acknowledged that they executed the foregoing instrument as such officers as the deed of said City of Wausau, Wisconsin, by its authority.

____
Notary Public, State of Wisconsin
My commission:____________________________

This instrument was drafted by:

Jeffrey R. Schneider
Quarles & Brady LLP
33 East Main Street, Suite 900
Madison, Wisconsin 53703

EXHIBIT A

LEGAL DESCRIPTION OF THE RELEASED PROPERTY

[Lot 1 of Certified Survey Map No. [___], being a redivision of all of Lots 1 and 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin].

Tax Parcel ID Number: Part of 291-2907-274-0940

1401 Elm Street, LLC
Attn: Roland Lokre
3062 Village Park Dr
Plover, WI 54467

August 23, 2022

Via Certified Mail

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

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

Re: **Development Agreement (Mountain Lanes)**
1401 Elm Street, LLC

Dear Sir/Madam,

As you are aware, the City of Wausau ("City") entered into a Development Agreement (the "Agreement") dated as of December 30, 2019 with 1401 Elm Street, LLC ("Elm Street") and Roland Lokre ("Lokre") (Elm Street and Lokre are known collectively as the "Developer") regarding the former Mountain Lanes property commonly known as 1401 Elm Street, Wausau, Wisconsin, and described as Lots 1 and 2 of certified Survey Map No. 18501 in the City of Wausau, Marathon County, Wisconsin (the "Property"). Elm Street has entered into an offer to sell the Property to Dean Kincaid, Inc. pursuant to a WB-15 Commercial Offer to Purchase dated July 20, 2022 and accepted July 26, 2022, as amended (collectively, the "Offer").

Pursuant to Paragraph 7 of the Agreement, the "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. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties and shall run with the land."

This correspondence is formal notice from the Developer to the City of Elm Street's intent to sell the Property pursuant to the Offer and constitutes Developer's request for the City to consent to such transfer. In addition, request is made that the City consent to Elm Street's assignment of the Agreement to Dean Kincaid, Inc. or a single purpose entity formed by Dean Kincaid, Inc. to be the buyer of the Property.

Sincerely,
1401 ELM STREET, LLC

Roland Lokre, Member

WB-15 COMMERCIAL OFFER TO PURCHASE

LICENSEE DRAFTING THIS OFFER ON July 20, 2022 **[DATE] IS (~~AGENT OF~~ BUYER) ~~(AGENT OF SELLER/LISTING FIRM) (AGENT OF BUYER AND SELLER)~~ STRIKE THOSE NOT APPLICABLE**

The Buyer, Dean Kincaid, Inc. and/or assigns, offers to purchase the Property known as Mountain Lane Apartments - 86 units located in 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 [redacted] Dollars [redacted]

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: See addendum.

All personal property included in purchase price will be transferred by bill of sale or other transfer.

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: tenant's 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 July 27, 2022. ~~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 both binding acceptance and performance.

CLOSING This transaction is to be closed on See addendum. 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 $~~ ______ ~~accompanies this Offer.~~

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

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

All earnest money shall be delivered to and held by (~~listing Firm) (drafting Firm~~) (other identified as See addendum.) 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 other.

____. 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 to be provided 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 ____________________________________
shall be completed by Seller and delivered to Buyer within five [5] days of acceptance.
____
______________ 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:~~ ______________________________ ______________________________ ______________________________ ~~**[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 ______ See addendum. ______ 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 __10__ 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 See addendum.

____

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|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 an inspection of See addendum. ______ (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 60 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.

[X] **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written See addendum. ~~[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 620-660 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.**~~

■ ~~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 ______ 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.

~~**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.**~~

■ ~~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 ______ 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 operating expenses, service contracts and all other items customarily prorated in commercial transactions of this type.

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~~ subject only to the Permitted Exceptions as provided in Addendum A.

______________________________ (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 all leases to be provided to Buyer as part of Seller responsibilities.

~~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 See addendum.

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: Mr. Jim Frings & Mr. Michael Loy

Name of Buyer's recipient for delivery, if any: Mr. Joseph F. Lak Jr. & Mr. Jim Sedgwick

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

Seller: (________) __________________ Buyer: (________) __________________

[X] (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.

[X] (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: 1401 Elm Street LLC. c/o: Geared Equity 450 Dons Way Kronenwetter, WI 54455

Address for Buyer: c/o: The Heimat Group 5150 N. Port Washington Rd Ste 115 Glendale, WI 53217

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

Email Address for Seller: jim.frings@g3industries.com & michael@gearedequity.com

Email Address for Buyer: joe.lak@theheimatgroup.com & jim.sedgwick@theheimatgroup.com

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

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

This Offer was drafted by [Licensee and Firm] Joseph F. Lak Jr. | The Heimat Group

Buyer Entity Name (if any): Dean Kincaid, Inc. and/or assigns

(x) Corey Kincaid President 7/25/22

Buyer's/Authorized Signature ▲ Print Name/Title Here ▶ Corey Kincaid | President 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): 1401 Elm Street, LLC

(x) July 26, 2022

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

(x) __________________

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

This Offer was presented to Seller by [Licensee and Firm] __________________

__________________ on __________________ at __________ a.m./p.m.

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

Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

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: Mr. Jim Fringe & Mr. Michael Loy
Name of Buyer's recipient for delivery, if any: Mr. Joseph F. Lak Jr. & Mr. Jim Sedgwick

[ ] ~~(2) Fax: fax transmission of the document or written notice to the following number:~~
Seller: (______) ____________ Buyer: (______) ____________

[X] (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.

[X] (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: 1401 Elm Street LLC. c/o: Geared Equity 450 Dons Way Kronenwetter, WI 54455
Address for Buyer: c/o: The Heimat Group 5150 N. Port Washington Rd Ste 115 Glendale, WI 53217

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

Email Address for Seller: jim.fringe@g3industries.com & michael@gearedequity.com
Email Address for Buyer: joe.lak@theheimatgroup.com & jim.sedgwick@theheimatgroup.com

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

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

This Offer was drafted by [Licensee and Firm] Joseph F. Lak Jr. | The Heimat Group

Buyer Entity Name (if any): Dean Kincaid, Inc. and/or assigns

(x) Corey Kincaid President 7/25/22
Buyer's/Authorized Signature ▲ Print Name/Title Here ▶ Corey Kincaid | President 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): 1401 Elm Street, LLC

(x) ____________
Seller's/Authorized Signature ▲ Print Name/Title Here ▶ Jim Fringe Date ▲

(x) [illegible] [illegible]
Seller's/Authorized Signature ▲ Print Name/Title Here ▶ [illegible] Date ▲

This Offer was presented to Seller by [Licensee and Firm] ____________
____________ on ____________ at ________ a.m./p.m.

This Offer is rejected ________ ________ This Offer is countered [See attached counter] ________ ________
Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

ADDENDUM A TO COMMERICAL OFFER TO PURCHASE

THIS ADDENDUM A TO COMMERICAL OFFER TO PURCHASE (this "**Addendum**") is attached to and made part of that certain WB-15 Commercial Offer to Purchase (the "**Preprinted Offer**") between **DEAN KINCAID, INC.**, and/or its permitted assigns ("**Buyer**") and **1401 ELM STREET, LLC**, ("**Seller**"), pertaining to the real property located in the City of Wausau, Wisconsin and more particularly described in Section 1 of this Addendum (the "**Property**"). The Preprinted Offer and this Addendum shall be read as one agreement hereinafter referred to as this "**Offer**," provided that, in the event of any conflicts or inconsistencies between the Preprinted Offer and this Addendum, the terms and provisions of this Addendum shall control. Capitalized terms used in this Addendum but not otherwise defined shall have the meanings ascribed to such terms in the Preprinted Offer. The date on which this Offer has been accepted by all parties shall be referred to as the "**Effective Date.**"

1. <u>Description of Property</u>. The Property is located in the City of Wausau, WI and contains and includes the following property and improvements located at:

1401 Elm Street, Wausau, WI   Parcel Number: 291.2907.274.0939

Additional assets included:

Tax Increment Financing: Property shall also include Seller's assignment of all rights, title and interest in the Tax Increment Grant payments in the amount of $601,520 due and payable to Seller pursuant to a December 30, 2019 Development Agreement between Seller and the City of Wausau ("Tax Increment Grant Payments"). Buyer shall receive a credit against the Purchase Price at Closing for any of the Tax Increment Grant Payments previously received by Seller.

Retaining Wall: Buyer and Seller acknowledge that the retaining wall servicing the Property (the "Retaining Wall") encroaches upon the parking lot to the west of the Property on the adjacent parcel (Parcel Number: 291.2907.274.0940) which is being retained by the Seller (the "Adjacent Parcel"). Seller shall include such amount of the Adjacent Parcel as is necessary for the entire Retaining Wall plus one additional foot to be located on the Property as part of the sale of the Property (the "Retaining Wall Parcel"). Prior to the Closing Date, Seller shall, at its sole cost, take all necessary actions to combine the Retaining Wall Parcel with the Property in compliance with all applicable ordinances and laws, and as acceptable to Buyer, including, but not limited to, completing all necessary city and county applications, preparing any necessary surveys and legal descriptions, and preparing and recording a deed. The Retaining Wall Parcel shall be transferred to Buyer along with the Property as part of the Deed under Section 9(d)(i) hereof.

Electronic Collateral: Property shall include website, rights to domain address and all related marketing collateral.

2. <u>Earnest Money Deposit</u>. Buyer shall deposit earnest money of [redacted] to be held for the benefit of the Buyer and applicable to the

Purchase Price, to be delivered to the escrow agent – First American Title Insurance Company in Milwaukee, Wisconsin - within ten (10) business days of the Effective Date (the "**Deposit**"). The Deposit shall be held by First American Pursuant to an escrow agreement reasonably acceptable to Buyer and Seller. Upon satisfaction or expiration of the last of Buyer's contingencies contained in Section 5 below, the Deposit shall be non-refundable except in the event of Seller's default. Buyer shall receive credit against the Purchase Price at Closing for the full amount of the Deposit. Should Buyer default on its obligations under this Offer, Seller may (as its sole remedy) terminate this Offer and retain the Deposit.

3. Property Documents. Within ten (10) days of the Effective Date, Seller shall deliver to Buyer copies of the documents in Seller's possession or control relating to the title, operation or condition of the Property that a reasonable person may deem material in evaluating whether to proceed to purchase the Property, including, without limitation: (i) all title reports, surveys, environmental studies, geotechnical studies, and appraisal reports; (ii) a current rent roll for the Property ("**Rent Roll**") and copies of all leases encumbering the Property ("**Leases**"); (iii) copies of any management, maintenance or service contracts pertaining to the Property along with a written description of the terms of any oral agreements or understandings relating to the operation of the Property ("**Service Contracts**"); (iv) copies of 2020, 2021 and 2022- YTD operating expenses for the Real Property and the 2022 projected budget; (v) any notices received by the Seller from any applicable governmental authority concerning the Property; and (vi) construction related documents including but not limited to constructions plans and specifications, as-built construction drawings and shop drawings, change order logs, construction progress photos and building and occupancy permits; and (vii) any municipal development agreements (collectively, the "**Property Documents**"). After Seller's execution of this Offer, Seller shall not enter into any document affecting the Property, or which would fall into the definition of a Property Document, or be a title encumbrance if recorded, without first securing the written approval of Buyer except for leases of a term of one (1) year or less entered into in the normal course of business at then prevailing market rental rates, but in no event at rates lower than ninety-five percent (95%) of rates currently being charged for similar units in the building as of the Effective Date. Seller shall assign it's rights to any Property Documents upon Buyer's request for Buyer's use in fulfilling financing requirements, subject to the approval of Buyer's lender.

4. Buyer's Access to the Property. From and after Seller's acceptance of this Offer, up to and including the date of Closing, Buyer shall have full and complete access to the Property at reasonable times and upon reasonable notice for the purpose of making such investigations, studies, assessments and the like that Buyer deems necessary or desirable, consistent with good commercial practice (subject to the rights of tenants in possession and the notice provisions of any lease agreements). Buyer agrees to indemnify, defend and hold Seller harmless from and against claims, loss, damage or expense resulting from damage to property or injury or death to persons directly caused by actions of Buyer or Buyer's agents at the Property, except as may arise from discovery of a preexisting condition at the Property and/or the negligence or wrongful act of Seller. Buyer shall not be permitted to conduct any intrusive "Phase II Level" environmental or any other intrusive environmental testing unless Seller, in Seller's sole and absolute discretion, has approved in writing such testing and sampling, the specific scope of such work, and the consultant or person performing such work.

5. Buyer's Contingencies.

(a) Physical Inspections. Commencing on the Effective Date, Buyer shall have sixty (60) days (the "**Physical Inspection Period**") to inspect the physical condition of the Property. If Buyer is not satisfied with the physical condition of the Property, as determined by Buyer in the exercise of Buyer's sole discretion, Buyer shall have the option of terminating the Offer by delivering written notice of termination to Seller on or before the expiration of the Physical Inspection Period, in which event the Offer shall be terminated and of no further force and effect and the Deposit shall be immediately returned to Buyer. In the event Buyer does not elect to terminate the Offer pursuant to this Section 5.(a), all items set forth in this Section 5.(a) shall be deemed satisfied and waived.

(b) Environmental, Regulatory and Document Review. Commencing upon Buyers receipt of Property Documents, Buyer shall have sixty (60) days (the "**Due Diligence Period**") to review the following items:

(i) *Environmental.* Review existing and/or perform Phase I reports and other environmental studies. The Due Diligence Period may be extended for a period of sixty (60) days if a Phase II report is deemed necessary by Buyer.

(ii) *Regulatory.* Investigate and/or obtain all required zoning and other governmental approvals and permits applicable, if necessary.

(iii) *Property Documents.* Review and analyze the Property Documents provided by Seller and verify information from all books and records since the inception of Seller's ownership; review any other information and documents in Seller's possessions pertaining to Seller's ownership and operation of the Property (collectively the "**Records**").

If Buyer is not satisfied with any of the matters set forth in this Section 5.(b), as determined by Buyer in the exercise of Buyer's sole discretion, Buyer shall have the option of terminating the Offer by delivering written notice of termination to Seller on or before the expiration of the Due Diligence Period, in which event the Offer shall be terminated and of no further force and effect and the Deposit shall be immediately returned to Buyer. In the event Buyer does not elect to terminate the Offer pursuant to this Section 5.(b), all items set forth in this Section 5.(b) shall be deemed satisfied and waived.

(c) Financing. Commencing on the Effective Date, Buyer shall have sixty (60) days (the "**Financing Period**") to obtain a commitment from a lender of Buyer's choice committing to issue a first mortgage loan in an amount and upon terms and conditions reasonably satisfactory to the Buyer. If Buyer is unable to secure a satisfactory loan commitment, as determined by Buyer in the exercise of Buyer's sole discretion, Buyer shall have the option of terminating the Offer by delivering written notice of termination to Seller on or before the expiration of the Financing Period, in which event the Offer shall be terminated and of no further force and effect and the Deposit shall be immediately returned to Buyer. In the event Buyer does not elect to terminate the Offer pursuant to this Section 5.(c), all items set forth in this Section 5.(c) shall be deemed satisfied and waived.

6. Title and Survey. Within ten (10) days after the Effective Date, Seller shall, at Seller's sole cost and expense, provide Buyer with a title commitment for the Property, issued by First American Title Insurance Company along with a current ALTA survey in a form required by Buyer. Buyer shall have ten (10) days following receipt of the title commitment to provide written notice to Seller of any objections to the Title Commitment ("Buyer's Title Notice"). Seller shall use diligent good faith efforts to remove any such objections. If one or more of Buyer's objections cannot be removed, Seller shall notify Buyer in writing, within ten (10) days after Seller's receipt of Buyer's Title Notice, indicating which objections cannot be removed ("Seller's Notice"). Buyer shall elect, in writing within ten (10) days thereafter, either to: (i) terminate and cancel the Offer, in which case the Deposit shall be returned to Buyer and, except as set forth in this Offer, neither party shall have further obligations hereunder; or (ii) waive the title objection(s) and proceed to Closing. If Seller fails to deliver Seller's Notice within such ten (10) day period, Seller shall be deemed to have agreed to cure all of Buyer's objections. Notwithstanding anything to the contrary contained herein, Seller shall be obligated to remove all monetary encumbrances from title at or before Closing. Exceptions to title approved by Buyer hereunder shall be deemed to be "Permitted Exceptions." Seller shall be responsible to remove any new title matters (not shown in the title commitment) which are unacceptable to Buyer, in Buyer's sole and absolute discretion.

7. Delivery of Notices. In the event that Seller receives any notices or any other correspondence from the City of Wausau or any other governmental authority pertaining to the Property, including without limitation notices or correspondence pertaining to Buyer's diligence efforts or applications for approvals, permits and entitlements related to the Property, Seller shall provide copies of such notices or correspondence to Buyer within five (5) business days of Seller's receipt thereof.

8. Service Contracts. Within the Due Diligence Period, Buyer shall notify Seller as to which, if any, Service Contracts Buyer elects not to assume at Closing and Seller shall terminate such Service Contracts at or prior to Closing, at Seller's sole cost and expense. At Closing, Buyer shall assume all other Service Contracts from Seller.

9. Closing. The consummation of the purchase and sale of the Property (the "**Closing**") shall take place no later than sixty (60) days after the expiration or waiver of the last of Buyer's Contingencies contained in Section 5 above on a date to be designated by Buyer (the "**Closing Date**"). Buyer is participating in a 1031 exchange. Should closing of Buyer's trade property be delayed for reasons beyond Buyer's control, Buyer may extend Closing by up to an additional one hundred twenty (120) days, but in no event shall Closing take place later than December 31, 2022, unless otherwise agreed by the parties in writing. The Closing may take place in person or by escrow through the offices First American Title Insurance Company in Milwaukee, Wisconsin, or such other location as the parties may mutually agree in writing.

(a) Seller Closing Costs. Seller shall pay for (i) one-half (1/2) of the escrow or Closing fees charged by the title company in connection with the Closing; (ii) the cost of the title policy (including all endorsements in addition to the gap endorsement to be provided by Seller in accordance with line 472 of the Preprinted Offer) and ALTA survey; (iii) transfer fees resulting from the transfer of the Property to Buyer; (iv) the costs to satisfy or release mortgages and other monetary liens, and (v) [redacted]

(b) Buyer Closing Costs. Buyer shall pay for (i) one-half (1/2) of the escrow or Closing fees charged by the title company in connection with the Closing; (ii) the cost of any endorsements that Buyer or any lender to Buyer may request be included in its title policy, and the cost of any title policy for Buyer's lender; (iii) the costs of recording the deed and any other instruments it shall wish to be recorded in connection with the Closing; (iv) the costs for any zoning, permit, and other approvals sought by Buyer in connection with this Offer; and (v) and Buyer's own "due diligence" costs, including, without limitation, any fees and expenses of environmental consultants, surveyors, engineers and any other consultants.

(c) Legal Fees. Seller and Buyer shall each pay their own legal fees and expenses in connection with this transaction except as otherwise set forth in Section 10 below.

(d) Closing Documents. On or prior to the Closing Date, the parties shall execute the following documents: (i) Seller will execute and deliver to Buyer a warranty deed (the "Deed") conveying the Property, including the Retaining Wall Parcel pursuant to Section 1 hereof, to Buyer subject only to the Permitted Exceptions; (ii) both parties will cooperate in completing an electronic Wisconsin Real Estate Transfer Return in the form that is required by state statute in order to record the Deed; (iii) both parties will execute and deliver a closing statement setting forth the Purchase Price and any adjustments thereto as provided for in this Offer; (iv) Seller will execute and deliver to Buyer a Non-Foreign Person Affidavit confirming that Seller is not a foreign person subject to certain federal withholding requirements; (v) both parties will cooperate in executing an assignment of the Leases and an assignment of the Service Contacts in a form to be agreed upon by the parties during the Due Diligence Period; (vi) Seller will deliver the originals (to the extent available) of all Property Documents and Records, (vii) both parties will execute and deliver any other documents that are necessary to consummate the transaction contemplated by this Offer, including such documents as are necessary to cause title to be conveyed to Buyer in the form approved by Buyer pursuant to the terms of this Offer.

10. Sellers Representations.

(a) The representations of the Seller in this Offer are made based upon only the actual knowledge of Roland Lokre and not any other officer, agent, or employee of the Seller, without the duty to investigate the matters to which such knowledge, or lack thereof, pertains. There shall be no personal liability on the part of Roland Lokre arising out of the representations, warranties, or covenants made herein or otherwise arising under this Offer or in connection with the transactions contemplated herein.

(b) The representations and warranties made by Seller in this Offer shall survive the Closing for the period commencing on the Closing Date and ending on the date that is twelve (12) months after the Closing Date (such period being the "Survival Period").

(c) Subject to the other limitations set forth in this Offer, Seller shall be liable to Buyer hereunder for a breach of a representation and warranty made in this Offer only if Buyer has provided written notice to Seller prior to the expiration of the Survival Period (a "Claim Notice") alleging that Seller has breached such representation or warranty and that Buyer suffered actual damages as a result thereof (provided that any such claim shall also be subject to the other limitations set forth herein) and Buyer filing suit in relation to such allegations no later than thirty (30) days after the Survival Period).

(d) Notwithstanding anything to the contrary in this Offer (but subject to paragraph (e) below), the maximum aggregate liability of Seller or Seller's breaches of representations and warranties in this Offer shall be limited to [redacted]

(e) Notwithstanding the terms of paragraph (d) above, if the Closing occurs, Buyer hereby expressly waives, relinquishes, and releases any and all rights or remedies available to it at law, in equity, or under this Offer to make a claim against Seller for damages that Buyer may incur as the result of any of Seller's representations or warranties being untrue, inaccurate or incorrect if Buyer had actual knowledge that such representation or warranty was untrue, inaccurate, or incorrect at the time of the Closing.

(f) The terms of this Section 10 shall survive the Closing.

11. Confidentiality and Non-Disclosure. Buyer understands and agrees that the information obtained during the inspection period shall be kept in confidence and shall not be revealed to outside parties other than its lenders, principals, attorneys, and other consultants hired in connection with the acquisition of the Property. Buyer shall indemnify and hold Seller harmless from any loss, costs, expenses and damages resulting from such inspections and/or the disclosure of the information obtained from such inspections. In the event the transactions completed herein do not close for any reason, Buyer agrees to promptly return all information obtained during the inspection period to Seller. Nothing herein is intended to limit or restrict Buyer's inspection and other diligence rights under Section 5 above. The provisions of this section shall survive termination.

12. Attorneys' Fees. In the event that any action is filed in connection with this Offer, the unsuccessful party in the action shall pay to the successful party the successful party's reasonable attorneys' fees and costs incurred in the action in addition to any other sums the unsuccessful party may be required to pay to the successful party as a result of the action.

13. Assignment. Buyer may assign this Offer, without consent of Seller but with written notice to Seller, to any affiliated or unaffiliated third party, but Buyer shall remain liable to Seller hereunder for any Buyer obligations that Buyer's assignee shall fail to fulfill.

14. Counterparts. This Offer may be executed in multiple counterparts, all of which taken together shall constitute one executed original. For purposes of executing this Offer, any signed document transmitted by facsimile machine or a PDF document transmitted by email transmission shall be considered an original signature and shall be considered to have the same binding legal effect as an original document. At the request of any party, any document transmitted by facsimile or email shall be re-executed by the applicable parties in an original form, it being

agreed that the failure by any party to so re-execute such document shall not impair the binding legal effect of such document.

15. Adequacy of Consideration. Buyer and Seller acknowledge that Buyer will expend material sums of money in reliance on Seller's obligations under this Offer, in connection with negotiating and executing this Offer, conducting the due diligence activities contemplated by this Offer and preparing for Closing, and that Buyer would not have executed the Offer without the availability of the contingencies for due diligence activities described herein. Buyer and Seller, therefore agree that adequate consideration exists to support each of the party's obligations under this Offer, and Seller and Buyer each waive any and all rights to challenge the enforceability of this Offer on the basis that any of the conditions or contingencies set forth herein are at Seller's or Buyer's sole discretion or that any of the agreements contained herein are illusory.

16. 1031 Exchange. Each party shall reasonably cooperate if another party intends to structure the transfer or acquisition of all or part of the Property as part of an exchange under §1031 of the Internal Revenue Code ("Exchange"). The rights of a party may be assigned to a qualified intermediary or exchange accommodation titleholder for purposes of an Exchange, but the assignor shall not be released from any obligation under this Offer. No party shall be required to acquire title to any other property, assume any additional liabilities or obligations or incur any additional expense as a result of another party's Exchange.

17. Brokers. Buyer and Seller represent and warrant that neither Buyer nor Seller have retained the services of any real estate broker or agent in connection with the purchase and sale under this Offer except: Broadwing Advisors (**"Buyer's Broker"**). Seller shall be responsible for paying the commission [redacted]ved to Buyer's Broker at Closing, pursuant to the terms of a separate agreement. Buyer and Seller each agrees to indemnify and hold the other harmless from and against any and all liability or damages, including costs and attorney's fees, resulting from any claim brought by any other real estate broker or agent for any real estate commission or finder's fee due, or alleged to be due, as the result of the actions of such person.

18. Rent Roll and Leases. Seller represents and warrants that all information set forth in the Rent Roll is true, correct, and complete in all material respects as of its date. The Leases are in full force and effect and Seller is not in material default thereunder after the expiration of applicable notice and cure periods. None of the tenants are in material default after the expiration of any cure period and no tenants have asserted nor do any of the tenants have presently exercisable defenses or offsets to rent owed under the Leases.

[signatures on the next page hereof]

[signatures on the next page hereof]

IN WITNESS WHEREOF, Seller and Buyer have caused this Addendum to be executed on the date written beside their respective signatures, to be effective as of the full executed date of the Offer.

BUYER: Dean Kincaid, Inc, or assigns

By: ______________________ Date: 7/25/22
Name: Corey Kincaid
Title: President

SELLER: 1401 Elm Street, LLC

By: ______________________ Date: ______________
Roland Lokre, Authorized Representative

By: ______________________ Date: 7/26/22
James A. Frings, Authorized Representative

[signatures on the next page hereof]

IN WITNESS WHEREOF, Seller and Buyer have caused this Addendum to be executed on the date written beside their respective signatures, to be effective as of the full executed date of the Offer.

BUYER: Dean Kincaid, Inc, or assigns

By: ______________________ Date: 7/25/22
Name: Corey Kincaid
Title: President

SELLER: 1401 Elm Street, LLC

By: ______________________ Date: 7/25/22
Roland Lokre, Authorized Representative

By: ______________________ Date: ____________
James A. Frings, Authorized Representative

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

State Bar of Wisconsin

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 July 20, 2022 ________, and accepted July 26, 2022 ________, for the purchase and sale of real estate at Mountain Lane Apartments - 86 units located in Wausau, WI ________, Wisconsin as follows:

Closing date is changed from ________, ____, to ________, ____.

Purchase price is changed from $ ________ to $ ________

Other:

The Property shall include Lot 2 of the attached proposed certified survey map which Buyer acknowledges will satisfy Seller's obligations regarding the Retaining Wall and Retaining Wall Parcel as set forth in Section 1 of Addendum A to the Offer, provided that the proposed certified survey map complies with all applicable ordinances and laws and is accepted for recording with the Marathon County Register of Deeds Office at or prior to the time set for Closing. Seller shall be solely responsible for any costs incurred in the preparation of, obtaining of approval for, and recording of such certified survey map. Any changes to the proposed certified survey map shall require Buyer's written consent.

The attached proposed certified survey map ________ 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 Monday, August 29, 2022 ________ (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 Scott A. Jackman, Esq. - Eaton Law, LLP on 08/17/2022
Licensee and Firm ▲ Date ▲

This Amendment was presented by ________ on ________
Licensee and Firm ▲ Date ▲

(x) ________ 8/24/22
Buyer's Signature ▲ Date ▲
Print name ▸ Dean Kincaid, Inc.

(x) ________ 8/25/2022
Seller's Signature ▲ Date ▲
Print name ▸ By: Roland Lokre, for 1401 Elm Street, LLC

(x) ________
Buyer's Signature ▲ Date ▲
Print name ▸ By: ________

(x) ________ 8/29/2022
Seller's Signature ▲ Date ▲
Print name ▸ By: James Frings, for 1401 Elm Street, LLC

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

OPERATING AGREEMENT
OF
MOUNTAIN LANE PROPERTY, LLC

Dean Kincaid, Inc., a Wisconsin corporation ("Dean Kincaid"), enters into this Operating Agreement (the "Agreement") as of the 17th day of August, 2022, as the sole member ("Member") of Mountain Lane Property, LLC, a Wisconsin limited liability company (the "Company"), for the purpose of providing the rights, obligations and restrictions as set forth herein with the force and effect of an operating agreement as provided for in Chapter 183 of the Wisconsin Statutes (the "Act").

WITNESSETH:

A. Dean Kincaid has caused the formation of the Company as a Wisconsin limited liability company through the filing of Articles of Organization pursuant to the Act, a copy of which is hereby attached as **Exhibit A**.

B. Dean Kincaid hereby affirms its membership as the sole member of the Company and agrees that the provisions of the Act, as modified by this Agreement, shall govern the operation of the Company and the rights and obligations of its Member.

NOW, THEREFORE, the undersigned hereby agrees as follows:

AGREEMENT:

1. Organization and Name. The Company has been organized as a manager-managed limited liability company under the name Mountain Lane Property, LLC.

2. Business. The purpose of the Company shall be to own and manage that real estate located at 1401 Elm Street, Wausau, Wisconsin 54401, and to do any and all other things necessary or convenient to carry on the business of the Company.

3. Management. The business and affairs of the Company shall be managed and controlled by the Manager ("Manager"). The Manager shall have sole and exclusive authority, power and discretion to effectuate the purposes of the Company and to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the purposes of the Company, including, but not limited to, the authority to negotiate and execute all notes, deeds of trust, contracts, agreements, instruments and other documents concerning or related to the purposes of the Company, upon such terms and conditions as the Manager, in the Manager's sole discretion, shall determine. Corey Kincaid shall be the Manager of the Company and shall serve as a Manager until he withdraws as the Manager or is replaced by unanimous consent of the Member(s).

4. Term and Dissolution. The Company shall continue indefinitely until it is dissolved, and its affairs wound up in accordance with the Act.

5. Execution of Documents. All agreements, instruments or documents of any nature affecting the Company (including leases, membership agreements, service contracts and similar

documents) may be executed in the name of the Company by the Manager and, when so executed, shall be binding upon the Company. Any party to any agreement, instrument or document so executed may rely upon the authority of the Manager of the Company to so bind the Company without proof of express authorization from the Company or the Member(s).

6. Records and Information. The Company shall keep and maintain all those records required under the Act at its principal office.

7. Governance by the Act. With respect to all other matters not covered herein, the governance and operations of the Company shall be controlled by the provisions of the Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first appearing above.

COMPANY:

MOUNTAIN LANE PROPERTY, LLC,
a Wisconsin limited liability company

By:______________________________
Corey Kincaid, Manager

MEMBER:

DEAN KINCAID, INC.,
a Wisconsin corporation

By:______________________________
Corey Kincaid, President

<u>EXHIBIT A</u>
Articles of Organization

[See attached]

Sec. 183.0202
Wis. Stats.

State of Wisconsin
Department of Financial Institutions

ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY

Executed by the undersigned for the purpose of forming a Wisconsin Limited Liability Company under Chapter 183 of the Wisconsin Statutes:

Article 1. **Name of the limited liability company:**

Mountain Lane Property, LLC

Article 2. **The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.**

Article 3. **Name of the initial registered agent:**

Corey Kincaid

Article 4. **Street address of the initial registered office:**

N2028 State Road 106
Palmyra, WI 53156
United States of America

Article 5. **Management of the limited liability company shall be vested in:**

A manager or managers

Article 6. **Name and complete address of each organizer:**

Steve Battenberg
222 W. Washington Ave.
Suite 705
Madison, WI 53703
United States of America

Other Information. **This document was drafted by:**

Steve Battenberg

Organizer Signature:

Steve Battenberg

Date & Time of Receipt:

8/16/2022 12:15:26 PM

Order Number:

202208166024374

ARTICLES OF ORGANIZATION - Limited Liability Company(Ch. 183)

Filing Fee: $130.00
Total Fee: $130.00

ENDORSEMENT

State of Wisconsin
Department of Financial Institutions

EFFECTIVE DATE	
8/16/2022	

FILED 8/16/2022	Entity ID Number M122807

ASSIGNMENT AND ASSUMPTION OF THE COMMERCIAL OFFER TO PURCHASE

THIS ASSIGNMENT AND ASSUMPTION OF THE COMMERCIAL OFFER TO PURCHASE (this "Assignment") is made on this 22nd day of August, 2022, by and between **Dean Kincaid, Inc.**, a Wisconsin corporation (the "Assignor"), and **Mountain Lane Property, LLC**, a Wisconsin limited liability company (the "Assignee").

RECITALS:

WHEREAS, Assignor, as Buyer, and 1401 Elm Street, LLC, as Seller, are the parties in interest in and to that certain Commercial Offer to Purchase executed on July 20, 2022, as amended from time to time for certain real property known as 1401 Elm Street, Wausau, Wisconsin (the "OTP").

WHEREAS, Assignor has the right to assign its rights and obligations under the OTP to an entity that is wholly owned by, related to, and/or controlled by Assignor; and

WHEREAS, Assignor desires to assign all of its rights, title and interest in and to the OTP to Assignee and Assignee desires to assume all of Assignor's rights, title and interest in and to the OTP, all as permitted under the OTP;

ASSIGNMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns to Assignee all of its rights, title and interest under the OTP and delegates all of its obligations under the OTP to Assignee. Assignee assumes and agrees to be bound by the terms of the OTP, and agrees to perform all of Assignor's obligations thereunder as if Assignee had been the party originally named as Buyer therein. Notwithstanding anything to the contrary set forth herein, this Assignment shall not release Assignor from its obligations to Seller under the OTP.

Those persons signing below on behalf of Assignee and Assignor personally certify and warrant that they have the authority to bind the respective entity with respect to this Assignment.

This Assignment may be executed, by original signature, facsimile or electronic signature, in counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE FOLLOWING.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

ASSIGNOR:
DEAN KINCAID, INC.,
a Wisconsin corporation

By: ______________________________
Corey Kincaid, President

ASSIGNEE:
MOUNTAIN LANE PROPERTY, LLC,
a Wisconsin limited liability company

By: ______________________________
Corey Kincaid, Manager

Document Number	ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (Mountain Lanes) Document Name

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (Mountain Lanes)

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (Mountain Lanes) (this "Assignment") is made and entered into as of December _____, 2022, by and between, **1401 ELM STREET, LLC**, a Wisconsin limited liability company (the "Company"), and **ROLAND LOKRE** ("Lokre" and, together with the Company, "Assignor") and **MOUNTAIN LANE PROPERTY, LLC**, a Wisconsin limited liability company ("Assignee").

Recording Area

Name and Return Address

Anne L. Jacobson, Esq.
City of Wausau, City Attorney
407 Grant Street
Wausau, WI 54403

See Exhibit A attached hereto.
Parcel Identification Number (PIN)

This is not homestead property.

RECITALS

A. The **CITY OF WAUSAU,** a Wisconsin municipal corporation located at 407 Grant Street, Wausau, WI 54403 (the "City") and Assignor entered into that certain Development Agreement (Mountain Lanes) with an effective date of December 30, 2019, as amended by that certain First Amendment to Development Agreement (Mountain Lanes) with an effective date of [__________], 2022, (as may be further amended from time to time, the "Development Agreement"), with respect to certain property described on Exhibit A attached hereto (the "Property"), which is evidenced by that Memorandum of Development Agreement (Mountain Lanes), dated December 30, 2019, and recorded on January 16, 2020, as Document Number 1796287, in the Office of the Register of deeds for Marathon County, Wisconsin (the "ROD"), as amended by that certain Amended Memorandum and Partial Release of Development Agreement (Mountain Lanes), dated [____________], 2022, and recorded on [__________], as Document Number [_________], in the ROD (the "Memorandum").

B. On even date herewith, Assignor sold and conveyed the Property to Assignee.

C. Assignor desires to assign all of its right, title and interest in and to the Development Agreement to Assignee and Assignee desires to assume all of Assignor's rights and obligations under the Development Agreement, all as consented to by the City.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption of Development Agreement. As of the date hereof, Assignor hereby assigns all of Assignor's interest in and to the Development Agreement to Assignee and Assignee hereby assumes and agrees to: (i) be bound by the Development Agreement including all rights and liabilities as "Developer" thereunder from and after the date hereof; and (ii) perform all duties and obligations as "Developer" under the Development Agreement from and after the date hereof. Assignee hereby acknowledges and agrees that it shall take title to the Property subject to the Development Agreement as evidenced by the Memorandum. Additionally, Assignee hereby makes all of the "Developer's" representations and warranties, and hereby agrees to all of the "Developer's" covenants, in the Development Agreement as of the date hereof.

2. Notices. All notices hereunder shall conform to the provisions of, and be addressed in accordance with, Section 10 of the Development Agreement. Any notice to Assignee shall be addressed to the following:

c/o Dean Kincaid, Inc.
N2028 State Road 106
Palmyra, WI 53156
Attn: Corey Kincaid

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

4. Counterparts. This Assignment 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.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties are signing this Assignment as of the date first set forth above.

ASSIGNOR:

1401 ELM STREET, LLC

By: ____________________________________
Name: Roland Lokre
Title: Member

____
ROLAND LOKRE, individually

STATE OF WISCONSIN)
) ss.
COUNTY OF ___________)

Personally came before me this ____ day of ___________________, 2022, ROLAND LOKRE, to me known to be the person who executed the foregoing instrument and to me known to be the member of 1401 ELM STREET, LLC, and acknowledged that he executed the foregoing instrument as such authorized representative of said entity and with its authority, and individually.

____
Name: _____________________________
Notary Public, State of Wisconsin
My Commission Expires: ________________

[SEAL]

This instrument was drafted by:

Jeffrey R. Schneider
Quarles & Brady LLP
33 East Main Street, Suite 900
Madison, Wisconsin 53703

ASSIGNEE:

MOUNTAIN LANE PROPERTY, LLC

By: ______________________________________
Name: Corey Kincaid
Title: Manager

STATE OF ________________)
) ss.
COUNTY OF ______________)

Personally came before me this ____ day of ____________________, 2022, Corey Kincaid, to me known to be the Manager of Mountain Lane Property, LLC, and acknowledged that [she/he] executed the foregoing instrument as such authorized representative of said entity and with its authority.

____
Name: ________________________________
Notary Public, State of ___________________
My Commission Expires: ________________

[SEAL]

CONSENT OF CITY

The **CITY OF WAUSAU**, a Wisconsin municipal corporation, hereby agrees and consents to the foregoing assignment of that certain Development Agreement (Mountain Lanes) with an effective date of December 30, 2019, with respect to that certain property described on Exhibit A attached hereto, which is evidenced by that Memorandum of Development Agreement (Mountain Lanes), dated December 30, 2019, and recorded on January 16, 2020, as Document Number 1796287, in the Office of the Register of deeds for Marathon County, Wisconsin by **1401 ELM STREET, LLC**, a Wisconsin limited liability company, and **ROLAND LOKRE** to **MOUNTAIN LANE PROPERTY, LLC**, a Wisconsin limited liability company.

THE CITY OF WAUSAU, WISCONSIN

By: ____
Katie Rosenberg, Mayor

Attest:

By: ________________________________
Kaitlyn Bernarde, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ___ day of __________________, 2022, Katie Rosenberg and Kaitlyn Bernarde, of the above-named City of Wausau, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such Mayor and Clerk, respectively, and acknowledged that they executed the foregoing instrument as such officers as the action of said City of Wausau, Wisconsin, by its authority.

____
Name: _________________________________
Notary Public, State of ____________________
My Commission Expires: ________________

[SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

[NEW LEGAL DESCRIPTION TO BE INSERTED].

Tax Parcel ID Nos.: Part of 291-2907-274-0939 and 291-2907-274-0940

Document Number	**PARTIAL RELEASE OF DEVELOPMENT AGREEMENT** **(Mountain Lanes)** Document Name

THIS PARTIAL RELEASE OF DEVELOPMENT AGREEMENT (Mountain Lanes) (this "Release") is made and entered into as of the ____ day of November, 2022, by the **CITY OF WAUSAU,** a Wisconsin municipal corporation located at 407 Grant Street, Wausau, WI 54403 (the "City").

WHEREAS, the City; **and, 1401 ELM STREET, LLC**, a Wisconsin limited liability company (the "Company"), and **ROLAND LOKRE** ("Lokre" and, together with the Company, "Developer") (the City and Developer are referred to herein, collectively, as the "Parties") entered into that certain Development Agreement (Mountain Lanes) with an effective date of December 30, 2019 (the "Original Development Agreement"), with respect to certain real property described in the Original Development Agreement (the "Original Property"), which included that real property described on Exhibit A attached hereto (the "Released Property"), a memorandum of which, dated as of January 16, 2020, in the Office of the Register of Deeds for Marathon County, Wisconsin as Document Number 1796287 (the "Memorandum");

WHEREAS, on [____________], 2022, the City and Developer entered into that certain First Amendment to Development Agreement (Mountain Lanes) (the "Amendment", and the Original Development Agreement as amended by the Amendment, and as further amended from time to time the "Development Agreement");

WHEREAS, any term used in this Release but not defined herein shall have the meaning assigned to that term in the Development Agreement;

Recording Area

Name and Return Address

Anne L. Jacobson, Esq.
City of Wausau, City Attorney
407 Grant Street
Wausau, WI 54403

See Exhibit A attached hereto.
Parcel Identification Number (PIN)

This is not homestead property.

WHEREAS, the Amendment requires the City to execute and record a release of the Released Property; and

WHEREAS, in accordance with the Amendment, the City desires to release the Released Property from the Development Agreement and to release the Released Property from the Memorandum.

NOW, THEREFORE, the City hereby releases the Released Property from the Development Agreement and the City hereby terminates the Memorandum and releases the Released Property from the Memorandum such that the Memorandum is null and void and has no force and effect with respect to the Released Property.

Except as explicitly stated herein, the Development Agreement and Memorandum each remain unchanged and in full force and effect with respect to the remainder of the Original Property.

IN WITNESS WHEREOF, the City has executed this Release as of the date first set forth above.

THE CITY:

THE CITY OF WAUSAU, WISCONSIN

By:______________________________________
Katie Rosenberg, Mayor

Attest:

By:_______________________________
Kaitlyn Bernarde, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF MARATHON)

Personally came before me this ___ day of __________________, 2022, Katie Rosenberg and Kaitlyn Bernarde, of the above-named City of Wausau, Wisconsin, to me known to be the persons who executed the foregoing instrument and to me known to be such Mayor and Clerk, respectively, and acknowledged that they executed the foregoing instrument as such officers as the deed of said City of Wausau, Wisconsin, by its authority.

____
Notary Public, State of Wisconsin
My commission:____________________________

This instrument was drafted by:

Jeffrey R. Schneider
Quarles & Brady LLP
33 East Main Street, Suite 900
Madison, Wisconsin 53703

EXHIBIT A

LEGAL DESCRIPTION OF THE RELEASED PROPERTY

[Lot 1 of Certified Survey Map No. [___], being a redivision of all of Lots 1 and 2 of Certified Survey Map No. 18501 recorded in the Office of Register of Deeds for Marathon County in Volume 91 of Certified Survey Maps on Page 132, being part of Section 27, T29N, R7E, City of Wausau, Marathon County, Wisconsin].

Tax Parcel ID Number: Part of 291-2907-274-0940