

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 72-18-19 by Alderpersons Rindfleisch and Bohren authorizing appropriated City officials to execute Ground Lease Amendment No. 1 between the City of Sheboygan and PAJA Properties, LLC to include additional City-owned land.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: August 17, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

PAJA Properties, LLC is Parker Johns. Based on the success of the outdoor dining experience along the riverfront, Parker Johns has requested an expansion of their deck into the driveway approach between their building and the building to the south. As part of the expansion, Parker Johns will be operating an outdoor burrito/taco bar open on the boardwalk for the summer months from a mobile serving station and additional seating for their guests. The current lease is \$0.29 per square feet. Based on the additional 1,316 square feet being added, the lease would increase by \$381.

STAFF COMMENTS:

City staff has been working with Parker Johns for a number of months to expand the offerings to the community. City staff is in support of the expansion of their patio to provide additional grab and go options on the boardwalk as well as 40 additional seats.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 72-18-19 authorizing appropriated City officials to execute Ground Lease Amendment No. 1 between the City of Sheboygan and PAJA Properties, LLC to include additional City-owned land.

ATTACHMENTS:

- I. Res. No. 72-18-19

III

4.2

Res. No. 72 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
August 20, 2018.

A RESOLUTION authorizing the appropriate City officials to execute Ground Lease Amendment No. 1 between the City of Sheboygan and PAJA Properties, LLC to include additional City-owned land.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute Ground Lease Amendment No. 1 between the City of Sheboygan and PAJA Properties, LLC, a copy of which is attached hereto and incorporated herein.

*Finance
Reviewed*

R. Rindfleisch

James A. Bohren

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

GROUND LEASE AMENDMENT NO. 1

This Ground Lease Amendment No. 1 is entered into this _____ day of _____, 2018, between the City of Sheboygan, a Wisconsin municipality ("Landlord") and PAJA Properties, LLC, a Wisconsin limited liability company ("Tenant").

The Ground Lease dated November 2, 2015 is amended as follows:

1. Section 1.01. Premises, is amended as follows: Exhibit AA and the property described therein replaces Exhibit A for the real estate subject to the Ground Lease.
2. In all other respects, the Ground Lease shall remain in full force and effect.

LANDLORD:

CITY OF SHEBOYGAN

BY
MICHAEL VANDERSTEEN, Mayor

TENANT:

PAJA PROPERTIES, LLC

BY
AARON SLOMA, Member

BY
MEREDITH DeBRUIN, City Clerk

August 22, 2018



Anthony Lulloff PLS, SP
AP Lulloff Land Survey, LLC
17625 Matznick Road
Kiel, WI 53042
aplulloff@gmail.com
920.894.2151

GROUND LEASE DESCRIPTION
IN SECTION 23, T.15 N., R. 23 E.,
CITY OF SHEBOYGAN PARCEL #59281109920

Part of the Lots 5 and 6, Block 206, Original Plat, City of Sheboygan, Sheboygan County, Wisconsin described as follows:

Commencing at the Southeast Corner of Block 181, Original Plat, City of Sheboygan; thence S89°-37'-57"E 66.00 feet to a point on the East Right of Way for Riverfront Drive; thence S89°-36'-57"E along the North right of way line for vacated Virginia Avenue 88.96 feet; thence S00°-12'-28"W 77.01 feet to the point of beginning; thence S12°-23'-01"W 46.06 feet; thence S03°-07'-04"W 37.65 feet; thence S86°-36'-06"E 40.55 feet; thence S00°-38'-15"W 26.99 feet; thence S85°-09'-50"E 38.00 feet; thence N11°-19'-51"E 46.95 feet; thence N00°-17'-03"E 68.62 feet; thence N89°-36'-57"W 75.68 feet to the point of beginning and containing 8151 square feet (0.19 acres) of land.

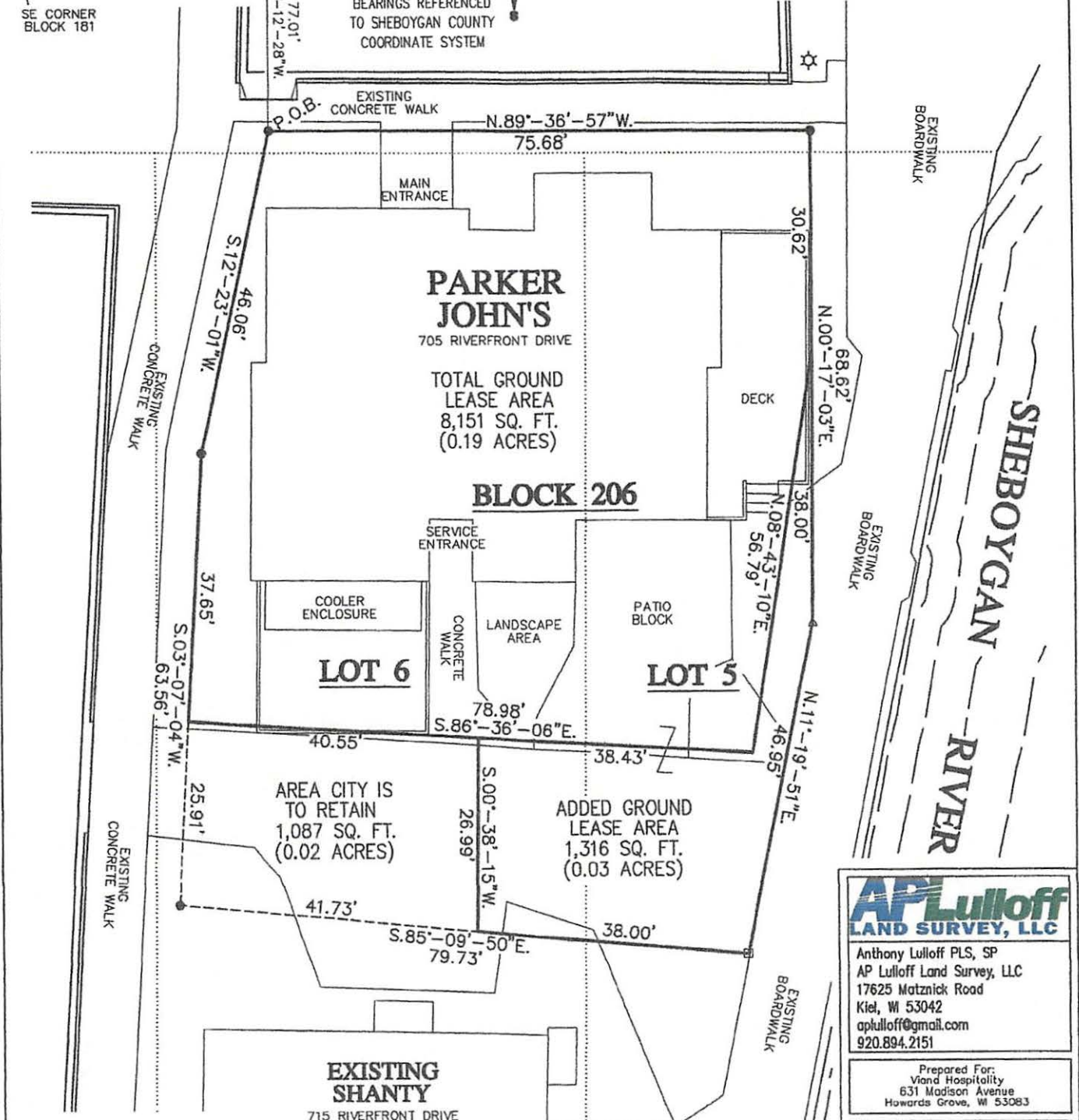
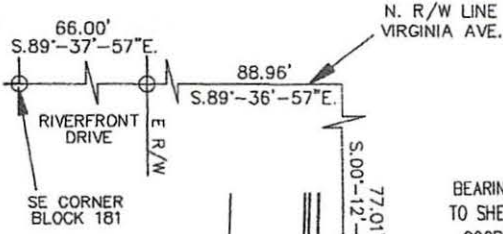
Prepared for:
Viand Hospitality
631 Madison Avenue
Howards Grove, WI 53083



GROUND LEASE EXHIBIT



BEARINGS REFERENCED TO SHEBOYGAN COUNTY COORDINATE SYSTEM



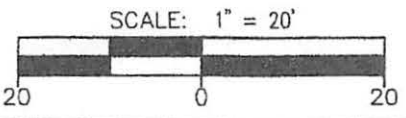
AP Lulloff
LAND SURVEY, LLC

Anthony Lulloff PLS, SP
AP Lulloff Land Survey, LLC
17625 Matznick Road
Kiel, WI 53042
aplulloff@gmail.com
920.894.2151

Prepared For:
Vland Hospitality
631 Madison Avenue
Howards Grove, WI 53083

| | | |
|-------------------------------|---------|--------------------|
| 1 | 6-19-18 | PRELIM. |
| 2 | 6-22-18 | FINAL |
| 3 | 8-22-18 | LEASE AREA REVISED |
| DRAWING FILE: PARKER JOHN'S 3 | | |
| PROJECT NUMBER: 2180407.02 | | |
| DRAWN BY: KCM CHECKED BY: APL | | |
| NOTEBOOK: SHE-3 | | PAGE: 2 |
| SHEET 2 OF 2 | | MAP NO. L-13750 |

- LEGEND**
- = 3/4" x 18" Steel Rebar Set Weighing 150 lbs/ft.
 - △ = Drill Hole
 - = R.R. Spike Set
 - () = Recorded As
 - ⊙ = Sheboygan County Monument



CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 73-18-19 by Alderpersons Rindfleisch and Bohren authorizing the sale of City-owned property to Glacial Lakes Conservancy, Inc.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: August 17, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

City staff has been working with Sheboygan River dredging partners for approximately four years as it relates to the Natural Resource Damage Assessment (NRDA). As part of the Sheboygan River restoration plan, the decision was made prior to sell the northern 140 approximate acres of the land to Glacial Lakes Conservancy (GLC) to allow them to create the Willow Creek Preserve and keep the property open to the public. GLC has completed a number of appraisals over the past few years and the most recent appraisal showed the property being worth \$450,000. The former Schuchardt property was purchased in 2010 with funds from the Industrial Development Fund. Any proceeds from the sale of this property will need to be returned to the Industrial Development Fund.

STAFF COMMENTS:

Given the plans from the John Michael Kohler Arts Center Art Preserve project, keeping the northern acreage (north of the railroad tracks) accessible to the public was incorporated in the sale document to the Arts Center. Under the NRDA plan, GLC will restore the property and create public pathways and bridges to allow the public to access and enjoy the rural feeling of the property. This is has been a very long process for city staff working with the Wisconsin Department of Natural Resources, GLC, U.S. Fish and Wildlife Service, NOAA and the Wisconsin Department of Justice to complete the NRDA claim to generate funding for GLC through a grant from WDNR to purchase the property.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 73-18-19 authorizing the sale of the City-owned property to Glacial Lakes Conservancy, Inc.

ATTACHMENTS:

- I. Res. No. 73-18-19

III

4.3

Res. No. 73 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
August 20, 2018.

A RESOLUTION authorizing the sale of City-owned property to Glacial Lakes Conservancy, Inc.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Offer to Purchase Agreement between the City of Sheboygan and Glacial Lakes Conservancy, Inc.

Finance Personnel

Rosal Rindfleisch

James A. Bohren

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

OFFER TO PURCHASE AGREEMENT

This **OFFER TO PURCHASE AGREEMENT** (the "Offer Agreement") is made and entered into as of the dates set forth below, by and between the City of Sheboygan, Wisconsin, a municipal corporation (the "Seller") and Glacial Lakes Conservancy, Inc., a Wisconsin not-for-profit corporation. (the "Purchaser"). Purchaser and Seller are sometimes hereinafter singularly referred to as "Party" and collectively as "Parties"

WHEREAS, the City of Sheboygan is the sole owner of real property ("Property") located in the City of Sheboygan, Wisconsin, which is described in the attached Exhibit A and has the following tax parcel numbers: 59281216519, 59281216524, 59281216518;

WHEREAS, the Seller desires to sell and transfer all of its interest in the Property to the Purchaser, and the Purchaser desires to purchase the Property from the Seller;

WHEREAS, the purposes of this Offer Agreement are to set forth the terms of the sale of the Property by the Seller to the Purchaser; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties hereby agree as follows:

1. Purchase Price. The Purchase Price for the Property is Four Hundred Fifty Thousand and no/100s Dollars (\$450,000.00). The Purchase Price, in the amount provided in this section, shall be paid in cash or equivalent at closing.

2. Earnest Money. Accompanying the executed copy of this Offer Agreement delivered by Purchaser to Seller is a single check in the amount of One Thousand Dollars (\$1000.00) (the "Earnest Money"). Seller will hold the Earnest Money check and disperse such Earnest Money only as provided herein. Additional Earnest Money of One Thousand Dollars (\$1000.00) will be mailed, or commercially or personally delivered to Sheboygan City Attorney Office, 606 N. 9th Street, Sheboygan, WI 53081, within five (5) days of the acceptance of this Offer Agreement by the Seller.

3. Binding Acceptance. Subject to the contingencies contained in Paragraph #14 herein, Binding Acceptance occurs when the Seller and the Purchaser have each signed one copy of this Offer Agreement or an identical copy and a signed copy (or facsimile) of the Offer Agreement has been delivered to Purchaser at 529 Ontario Avenue, Sheboygan, WI 53081 and to Purchaser's attorney on or before July 31, 2018 and to Chad Pelishek, Director of Planning and Development, City of Sheboygan, 606 N. 9th Street, Sheboygan, WI 53081. (chad.pelishek@sheboyganwi.gov)

4. Closing. The closing of the transactions provided for in this Offer Agreement, shall occur no later than December 31, 2018, unless extended by the Parties in writing.

5. Representations and Warranties of Seller. Seller represents and warrants to Purchaser, which representations and warranties shall survive the Closing, that: (a) such Seller has full power and authority to execute and deliver this Offer Agreement, to perform such Seller's

obligations hereunder, and to consummate the transactions contemplated hereby; (b) the execution and delivery of this Offer Agreement and the consummation of the transaction provided for herein have been duly and validly authorized by all necessary action on the part of such Seller; (c) this Offer Agreement has been duly executed and delivered by such Seller and constitutes the valid and binding agreement of such Seller, enforceable against such Seller in accordance with its terms; and (d) there are no suits, actions, claims, proceedings or investigations pending or, to the knowledge of such Seller, threatened against, relating to or involving such Seller which could reasonably be expected to adversely affect such Seller's ability to consummate the transactions contemplated by this Offer Agreement.

6. Zoning Classification Confirmation: This offer is contingent upon Seller providing to Purchaser verification that the Property is zoned Planned Unit Development and that the Property's zoning allows the Purchaser's proposed use of conservation and natural area or that the Seller has changed the zoning by the date of closing to permit Purchaser's proposed use.

7. Conveyance of Title: Upon payment of the Purchase Price Seller shall convey the Property by Warranty Deed free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, and recorded easement(s) for the distribution of utility and municipal services. 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 Purchaser.

8. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller, which representations and warranties shall survive the Closing that Purchaser has, or will obtain, full power and authority to execute and deliver this Offer Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. This Offer Agreement is contingent upon approval by the Common Council of the City of Sheboygan. Except as otherwise provided, this Offer Agreement has been duly executed and delivered by Purchaser and constitutes the valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser represents and warrants to Seller that there are no suits, actions, claims, proceedings or investigations pending or, to the knowledge of Purchaser, threatened against, relating to or involving Purchaser which could reasonably be expected to adversely affect Purchaser's ability to consummate the transactions contemplated by this Offer Agreement.

9. Property Taxes: It is understood and agreed by the Parties that Purchaser may exercise its option to request a Property Tax Exemption under s. 70.11(2), Wis. Stats.

10. Default and Remedies.

a. Seller Default. In the event the Seller breaches its obligations hereunder, and if such breach is not cured within five (5) days from written notice from Purchaser to Seller, or within fifteen (15) days from such notice, if Seller has begun to cure the default within the initial five (5) days and continuously and diligently pursues the cure, the Purchaser may elect the following as Purchaser's sole and exclusive remedies: (i) terminate this Offer Agreement as to defaulting Seller, in Purchaser's sole discretion; and receive the original Earnest Money and additional Earnest

Money uncashed checks made payable to Seller with respect to whom the Offer Agreement has been terminated, in which event this Offer Agreement shall be null and void without further recourse as between Purchaser and the defaulting Seller; or (ii) take legal actions necessary for specific performance; or (iii) in the event that specific performance is not available through no fault of the Purchaser, request the uncashed original Earnest Money and additional Earnest Money uncashed checks, and sue defaulting Seller for actual damages.


- b. **Purchaser Default.** In the event Purchaser breaches its obligations to close hereunder, and if such breach is not cured within five (5) days from written notice from Seller to Purchaser, or within fifteen (15) days from such notice, if Purchaser has begun to cure the default within the initial five (5) days and continuously and diligently pursues the cure, Seller may elect the following as Seller's sole and exclusive remedies: (i) terminate this Offer Agreement and cash the original Earnest Money and additional Earnest Money checks made payable to Seller as liquidated damages, in which event this Offer Agreement shall be null and void as between Seller and Purchaser without further recourse to either of such Parties; or (ii) terminate this Offer Agreement and cash the original Earnest Money and additional Earnest Money checks made payable to Seller as partial payment of damages and sue Purchaser for any further damages. If Seller elects to terminate the Offer Agreement under this Paragraph, Purchaser shall have the option, exercisable by delivery of notice to the Seller within five (5) days after receipt of notice of termination from the Seller, to terminate this Offer Agreement in its entirety.
- c. **Termination Without Default.** Notwithstanding anything else contained in this Offer Agreement to the contrary, if the sale of the Property by the Seller to the Purchaser does not occur on or before December 31, 2018, due to no fault of any Party this Offer Agreement shall be extended for 180 days.

11. **Notices.** Any notices or other communications required or permitted hereunder shall be in writing (unless sent electronically by e-mail) and shall be considered delivered when (i) delivered by hand, (ii) mailed by certified mail, return receipt requested, first class postage prepaid, or (iii) sent via e-mail, addressed as follows (or to such other address as either Party may from time to time designate by written notice to the other:

To Seller: Chad Pelishek
Director of Planning and Development
City of Sheboygan
606 N. 9th Street
Sheboygan, WI 53081
chad.pelishek@sheboyganwi.gov

With a copy to:

City Attorney
City of Sheboygan
828 Center Avenue
Sheboygan, WI 53081

To Purchaser: Rose Phillips
 Acting Director
Glacial Lakes Conservancy
529 Ontario Avenue
Sheboygan, WI 53081

With a copy to:

Attorney Peter McKeever
6302 Southern Circle
Monona, WI 53716
petermckeever@charter.net

12. Entire Agreement, Binding Effect; Amendment. Upon execution hereof by Purchaser and Seller, this instrument shall contain the entire agreement between the Parties hereto with respect to the transaction contemplated hereby. There shall be no agreements or understandings between the Parties other than those set forth herein or executed simultaneously herewith. This Offer Agreement shall be binding upon the Parties hereto and their respective successors and assigns. This Offer Agreement may be amended, modified, superseded or canceled only by a written instrument executed by Purchaser and Seller.

13. Financing. The Parties understand, accept and agree that this transaction is contingent on (1) funding for this transaction being provided by the Wisconsin Department of Natural Resources ("WDNR") via settlement funds obtained by the Trustees for natural resources for the Site known as the Sheboygan River and Harbor Natural Resource Damage Assessment and Restoration and (2) the WDNR receiving a conservation easement in the form depicted on Exhibit A from the Purchaser on the Property and (3) the purchaser of the property signing a grant agreement with DNR for the provision of funding.

14. Time of the Essence. Time is deemed to be of the essence with respect to all of the terms and provisions of this Offer Agreement.

15. Dispute Resolution. In the event of a dispute among the Parties to this Offer Agreement regarding the provisions of this Offer Agreement, any Party may, by written notice to the other Parties, call for mediation of the dispute before a mediator to be agreed upon by the Parties. If the dispute is not resolved by mediation within thirty (30) days of such notice, then any Party may proceed to exercise all rights and remedies available under applicable law and this Offer Agreement.

16. Counterparts, Facsimile Signatures. This Offer Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts together shall constitute but one and the same agreement. Signed documents transmitted by facsimile or by e-mail shall be accepted by the Parties as original for purposes of this Offer Agreement.

17. Brokers. Each Party represents and warrants to the other Parties that he/she has not employed and is not liable for the payment of a fee or commission to a finder, broker, governmental official, consultant or similar person in connection with the transactions contemplated by this Offer Agreement, and that such party shall so certify in writing at Closing.

18. Governing Law. This Offer Agreement concerns real property located in the State of Wisconsin, has been negotiated within the State of Wisconsin and shall be interpreted and construed according to the internal laws of the State of Wisconsin.

19. Captions. The captions in this Offer Agreement are inserted only as matters of convenience and for reference and in no way define or limit the scope or intent of the various provisions, terms or conditions hereof.

20. Binding Effect. The terms and conditions of this Offer Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors and assigns.

21. Assignment by Purchaser. Purchaser shall have the right to assign this Offer Agreement to any affiliate of Purchaser; provided, however, Purchaser shall not be released of the liabilities hereunder.

22. Survival of Warranties/Obligations. Each of the obligations and warranties of each of the parties set forth herein shall survive the Closing of the transaction contemplated herein without limitation.

23. Construction of Agreement. The Parties covenant and agree that the Parties to this Offer Agreement have had the opportunity to participate fully and equally in the negotiation and preparation hereof, and, accordingly, that this Offer Agreement shall not be construed more strictly against either Party hereto, nor any ambiguities within this Offer Agreement resolved against either Party hereto.

24. Execution Time Limit. This Offer Agreement shall be void and of no force or effect if not executed by Seller and delivered to Purchaser's attorney by September 15, 2018 unless extended in writing by Purchaser.

[Signature Page of the Offer to Purchase Agreement to Follow]

IN WITNESS WHEREOF, the Parties have caused this Offer to Purchase Agreement to be executed as of the dates set forth below.

SELLER:

For the City of Sheboygan:

Michael Vandersteen
Title: _____

Meredith DeBruin
Title: _____

Dated this _____ day of _____, 2018

PURCHASER:

Glacial Lakes Conservancy, Inc.

By:



Andrew Morris, President

Dated this 16th day of August, 2018

Exhibit A

Description of Property

Tax parcels: 59281216519, 59281216524, 5928121651

**Exhibit B. Grant of Conservation Easement
(Following 21 pages)**

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: DIRECT REFERRAL: Res. No. 80-18-19 by Alderpersons Rindfleisch and Bohren authorizing the appropriate City officials to execute a Vacant Land Offer to Purchase with Racetrack Road, LLC.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: August 21, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: \$53,940
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Racetrack Road, LLC is proposing to construct a new car dealership on land along Racetrack Road which is continuous with SouthPointe Enterprise Campus. The parcel of land is a 2.79 acre irregular shaped remnant parcel between the new South Taylor Drive and the property that they purchased from the former Bruggick Trust. Racetrack Road, LLC will utilize this property for storm water management and a driveway to the new development from South Taylor Drive. Given the nature of the property, the City is selling the property to Racetrack Road, LLC for \$1 as an incentive to construct additional tax base in the new tax incremental district.

STAFF COMMENTS: City staff supports the sale of the 2.79 acre irregular shaped remnant parcel to facilitate new development in the SouthPointe Enterprise Campus.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 80-18-19 authorizing appropriate City officials to execute a Vacant Land Offer to Purchase with Racetrack Road, LLC.

ATTACHMENTS:

- I. Res. No. 80-18-19

III

DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 80 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
August 27, 2018.

A RESOLUTION authorizing the appropriate City officials to execute a Vacant Land Offer to Purchase with Racetrack Road, LLC.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Vacant Land Offer to Purchase between the City of Sheboygan and Racetrack Road, LLC, a copy of which is attached hereto and incorporated herein.

*Finance
Personnel*

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

WB-13 VACANT LAND OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON _____ [DATE] IS (AGENT OF BUYER)

2 (AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) ~~STRIKE THOSE NOT APPLICABLE~~

3 ~~GENERAL PROVISIONS~~ The Buyer, Racetrack Road, LLC

4 _____, offers to purchase the Property

5 known as [Street Address] approximate 2.79 acre remnant parcel as shown on attached Exhibit A

6 in the City Sheboygan of Sheboygan County of Sheboygan, Wisconsin (Insert

7 additional description, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525), on the following terms:

8 ■ PURCHASE PRICE: One and 00/100

9 _____ Dollars (\$ 1.00).

10 ■ EARNEST MONEY of \$ 0 accompanies this Offer and earnest money of \$ 0

11 will be mailed, or commercially or personally delivered within _____ days of acceptance to listing broker or

12 _____

13 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.

14 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the

15 date of this Offer not excluded at lines 18-19, and the following additional items: _____

16 _____

17 _____

18 ■ NOT INCLUDED IN PURCHASE PRICE: _____

19 _____

20 CAUTION: Identify Fixtures that are on the Property (see lines 290-294) to be excluded by Seller or which are rented
21 and will continue to be owned by the lessor.

22 NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are
23 included/excluded. Annual crops are not part of the purchase price unless otherwise agreed.

24 ■ ZONING: Seller represents that the Property is zoned: Suburban Industrial (SI)

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

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

29 ~~BINDING ACCEPTANCE~~ This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on
30 or before August 31, 2018. Seller may keep the Property on the

31 market and accept secondary offers after binding acceptance of this Offer.

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

33 ~~OPTIONAL PROVISIONS~~ TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX () ARE PART OF THIS
34 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"
35 OR ARE LEFT BLANK.

36 ~~DELIVERY OF DOCUMENTS AND WRITTEN NOTICES~~ Unless otherwise stated in this Offer, delivery of documents and
37 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 38-56.

38 (1) Personal Delivery: giving the document or written notice personally to the Party, or the Party's recipient for delivery if
39 named at line 40 or 41.

40 Seller's recipient for delivery (optional): _____

41 Buyer's recipient for delivery (optional): _____

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

43 Seller: (_____) Buyer: (_____)

44 (3) Commercial Delivery: depositing the document or written notice fees prepaid or charged to an account with a
45 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 40 or 41, for
46 delivery to the Party's delivery address at line 49 or 50.

47 (4) U.S. Mail: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,
48 or to the Party's recipient for delivery if named at line 40 or 41, for delivery to the Party's delivery address at line 49 or 50.

49 Delivery address for Seller: _____

50 Delivery address for Buyer: _____

51 (5) E-Mail: electronically transmitting the document or written notice to the Party's e-mail address, if given below at line
52 55 or 56. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for
53 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically
54 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

55 E-Mail address for Seller (optional): Chad.Pelishak@sheboyganwi.gov

56 E-Mail address for Buyer (optional): basil@vhcars.com

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

59 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
 60 Offer at lines 458-464 or 526-534 or in an addendum attached per line 525. At time of Buyer's occupancy, Property shall be
 61 free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left
 62 with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

63 **PROPERTY CONDITION REPRESENTATIONS** ~~Seller represents to Buyer that as of the date of acceptance Seller has no~~
 64 ~~notice or knowledge of Conditions Affecting the Property or Transaction (see lines 163-167 and 246-278) other than those~~
 65 ~~identified in the Seller's disclosure report dated _____, which was received by Buyer prior to~~
 66 ~~Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**~~
 67 ~~and _____ Property is sold as is~~

68 _____
 69 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

70 **CLOSING** This transaction is to be closed no later than January 1, 2019, but see line 458 for additional detail

71 _____ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

72 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
 73 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association
 74 assessments, fuel and none

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

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

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

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

81 Current assessment times current mill rate (current means as of the date of closing)

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

84

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

89 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
 90 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
 91 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
 92 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
 93 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

94 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
 95 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
 96 (written) (oral) **STRIKE ONE** lease(s), if any, are _____

97 _____, Insert additional terms, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525.

98 **GOVERNMENT PROGRAMS** Seller shall deliver to Buyer, within _____ days of acceptance of this Offer, a list of all
 99 federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions,
 100 or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland
 101 preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve
 102 Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any
 103 penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be
 104 deemed satisfied unless Buyer delivers to Seller, within seven (7) days of Buyer's Actual Receipt of said list and disclosure, or
 105 the deadline for delivery, whichever is earlier, a notice terminating this Offer based upon the use restrictions, program
 106 requirements, and/or amount of any penalty, fee, charge, or payback obligation.

107 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs,**
 108 **as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller**
 109 **incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The**
 110 **Parties agree this provision survives closing.**

111 **MANAGED FOREST LAND:** All, or part, of the Property is managed forest land under the Managed Forest Law (MFL).
 112 This designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that
 113 encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as
 114 managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the
 115 new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources
 116 and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules.
 117 The DNR Division of Forestry monitors forest management plan compliance. Changes you make to property that is subject to
 118 an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause
 119 the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the
 120 local DNR forester or visit <http://www.dnr.state.wi.us>

121 ~~FENCES~~ Wis. Stat. § 90.93 requires the owners of adjoining properties to keep and maintain legal fences in equal shares
 122 where one or both of the properties is used and occupied for farming or grazing purposes.

123 **CAUTION:** Consider an agreement addressing responsibility for fences if Property or adjoining land is used and
 124 occupied for farming or grazing purposes.

125 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that would be
 126 generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a
 127 non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more
 128 information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization
 129 Section or visit <http://www.revenue.wi.gov/>.

130 **FARMLAND PRESERVATION:** Rezoning a property zoned farmland preservation to another use or the early termination of a
 131 farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to
 132 3 times the class 1 "use value" of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection
 133 Division of Agricultural Resource Management or visit <http://www.datcp.state.wi.us/> for more information.

134 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S. Department
 135 of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective
 136 cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent plus one-half of the cost of
 137 establishing permanent ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more
 138 information call the state Farm Service Agency office or visit <http://www.fsa.usda.gov/>.

139 **SHORELAND ZONING ORDINANCES:** All counties must adopt shoreland zoning ordinances that meet or are more
 140 restrictive than Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land
 141 within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum
 142 standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface
 143 standards (that may be exceeded only if a mitigation plan is adopted) and repairs to nonconforming structures. Buyers must
 144 conform to any existing mitigation plans. For more information call the county zoning office or visit <http://www.dnr.state.wi.us/>.
 145 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning restrictions, if any.

146 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 147 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 148 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 149 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

150 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 151 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 152 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 153 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 154 than closing, Seller shall provide Buyer with lien waivers for all alienable repairs and restoration. If the damage shall exceed
 155 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 156 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 157 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 158 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 159 be held in trust for the sole purpose of restoring the Property.

160 **DEFINITIONS**

161 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or
 162 written notice physically in the Party's possession, regardless of the method of delivery.

163 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 164 defined to include:

- 165 a. Proposed, planned or commenced public improvements or public construction projects which may result in special
 166 assessments or otherwise materially affect the Property or the present use of the Property.
- 167 b. Government agency or court order requiring repair, alteration or correction of any existing condition.
- 168 c. Land division or subdivision for which required state or local approvals were not obtained.
- 169 d. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 170 e. A portion of the Property being subject to, or in violation of, a farmland preservation agreement or in a certified farmland
 171 preservation zoning district (see lines 130-133), or enrolled in, or in violation of, a Forest Crop, Managed Forest (see lines
 172 111-120), Conservation Reserve (see lines 134-138), or comparable program.
- 173 f. Boundary or lot disputes, encroachments or encumbrances, a joint driveway or violation of fence laws (Wis. Stat. ch. 90)
 174 (where one or both of the properties is used and occupied for farming or grazing).
- 175 g. Material violations of environmental rules or other rules or agreements regulating the use of the Property.
- 176 h. Conditions constituting a significant health risk or safety hazard for occupants of the Property.
- 177 i. Underground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,
 178 including, but not limited to, gasoline and heating oil.
- 179 j. A Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, pesticides, herbicides,
 180 fertilizer, radon, radium in water supplies, lead or arsenic in soil, or other potentially hazardous or toxic substances on the
 181 premises.
- 182 k. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 183 l. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 184 Property.
- 185 m. Defects in any well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-
 186 service wells and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned
 187 according to applicable regulations.

188 ~~(Definitions Continued on page 5)~~

189

~~IF LINE 190 IS NOT MARKED OR IS MARKED N/A, LINES 230-236 APPLY.~~190 ~~FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain a written~~

191 _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage
192 loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an
193 amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years.
194 Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may
195 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance
196 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination
197 fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed amount,
198 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the
199 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

200 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 201 or 202.**201 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.202 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest
203 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per
204 year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal
205 and interest may be adjusted to reflect interest changes.206 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 458-464 or
207 526-534 or in an addendum attached per line 525.208 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a
209 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described
210 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no
211 later than the deadline at line 192. Buyer and Seller agree that delivery of a copy of any written loan commitment to
212 Seller (even if subject to conditions) shall satisfy the Buyer's financing contingency if, after review of the loan
213 commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall
214 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of
215 unacceptability.216 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide**
217 **the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN**
218 **COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS**
219 **ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**220 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this
221 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan
222 commitment.223 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already
224 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of
225 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is
226 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this
227 transaction on the same terms set forth in this Offer and this Offer shall remain in full force and effect, with the time for closing
228 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain
229 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.230 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party
231 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,
232 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering
233 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing
234 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands
235 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an
236 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.237 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised
238 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated
239 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon
240 purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to
241 Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon
242 purchase price, accompanied by a written notice of termination.243 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether**
244 ~~deadlines provide adequate time for performance.~~

245 **DEFINITIONS CONTINUED FROM PAGE 3**

246 ~~n. Defects in any septic system or other sanitary disposal system on the Property or out of service septic systems not~~
 247 ~~closed/abandoned according to applicable regulations.~~

248 o. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface
 249 foundations or waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic
 250 or hazardous materials or containers for these materials were disposed of in violation of manufacturer's or government
 251 guidelines or other laws regulating said disposal; high groundwater; adverse soil conditions (e.g. low load bearing
 252 capacity, earth or soil movement, slides) or excessive rocks or rock formations.

253 p. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other
 254 contaminated land, or soils contamination remediated under PECFA, the Department of Natural Resources (DNR)
 255 Remediation and Redevelopment Program, the Agricultural Chemical Cleanup Program or other similar program.

256 q. Lack of legal vehicular access to the Property from public roads.

257 r. Homeowners' associations, common areas shared or co-owned with others, zoning violations or nonconforming uses,
 258 conservation easements, restrictive covenants, rights-of-way, easements, easement maintenance agreements, or use of
 259 a part of Property by non-owners, other than recorded utility easements.

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

262 t. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.

263 u. Property tax increases, other than normal annual increases; completed or pending property tax reassessment of the
 264 Property, or proposed or pending special assessments.

265 v. Burial sites, archeological artifacts, mineral rights, orchards or endangered species.

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

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

268 y. Significant odor, noise, water intrusion or other irritants emanating from neighboring property.

269 z. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial
 270 injuries or disease in livestock on the Property or neighboring properties.

271 aa. Existing or abandoned manure storage facilities on the Property.

272 bb. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of
 273 the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

274 cc. The Property is subject to a mitigation plan required by DNR rules related to county shoreland zoning ordinances that
 275 obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county
 276 (see lines 139-145).

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

279 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
 280 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
 281 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
 282 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
 283 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
 284 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
 285 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
 286 closing, expire at midnight of that day.

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

290 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land so as to be
 291 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage
 292 to the premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited
 293 to, all; perennial crops; garden bulbs; plants; shrubs and trees and fences; storage buildings on permanent foundations and
 294 docks/piers on permanent foundations.

295 ~~**CAUTION:** Exclude any Fixtures to be retained by Seller or which are rented on lines 18-19.~~

296 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

297 **PROPERTY DEVELOPMENT WARNING** If Buyer contemplates developing Property for a use other than the current use,
 298 there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and
 299 zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or
 300 uses and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals,
 301 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits,
 302 subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of
 303 development of, or a particular use for, a property. Optional contingencies which allow Buyer to investigate certain of these
 304 issues can be found at lines 306-350 and Buyer may add contingencies as needed in addenda (see line 525). Buyer should
 305 review any plans for development or use changes to determine what issues should be addressed in these contingencies.

306 **PROPOSED USE CONTINGENCIES:** Buyer is purchasing the Property for the purpose of: _____

307 _____

308 _____

309 [insert proposed use and type and size of building, if applicable; e.g. three bedroom single family home]. The optional
310 provisions checked on lines 314-345 shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers
311 written notice to Seller specifying those items which cannot be satisfied and written evidence substantiating why each specific
312 item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller
313 agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 314-350.

314 ~~**ZONING CLASSIFICATION CONFIRMATION:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's)
315 **STRIKE ONE** ("Buyer's" if neither is stricken) expense, verification that the Property is zoned _____
316 _____ and that the Property's zoning allows the Buyer's proposed use described at lines 306-308.~~

317 **SUBSOILS:** This offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither
318 is stricken) expense, written evidence from a qualified soils expert that the Property is free of any subsoil condition which
319 would make the proposed use described at lines 306-308 impossible or significantly increase the costs of such
320 development.

321 **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** This Offer is contingent
322 upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither is stricken) expense, written evidence from
323 a certified soils tester that (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must
324 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the
325 Property as stated on lines 306-308. The POWTS (septic system) allowed by the written evidence must be one of
326 the following POWTS that is approved by the State for use with the type of property identified at lines 306-308 **CHECK**

327 **ALL THAT APPLY:** conventional in-ground; mound; at grade; in-ground pressure distribution; holding tank;
328 other: _____

329 **EASEMENTS AND RESTRICTIONS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE**
330 **ONE** ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and restrictions
331 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or
332 significantly delay or increase the costs of the proposed use or development identified at lines 306-308.

333 **APPROVALS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if
334 neither is stricken) expense, permits, approvals and licenses, as appropriate, or the final discretionary action by the
335 granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's
336 proposed use: _____

337 _____
338 **UTILITIES:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither
339 is stricken) expense, written verification of the following utility connections at the listed locations (e.g., on the Property, at
340 the lot line, across the street, etc.) **CHECK AND COMPLETE AS APPLICABLE:** electricity _____;
341 gas _____; sewer _____; water _____;
342 telephone _____; cable _____; other _____

343 **ACCESS TO PROPERTY:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE**
344 ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public
345 roads.

346 **LAND USE APPROVAL:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if
347 neither is stricken) expense, a rezoning; conditional use permit; license; variance; building permit;
348 occupancy permit; other _____ **CHECK ALL THAT APPLY**, and delivering
349 written notice to Seller if the item cannot be obtained, all within _____ days of acceptance for the Property for its proposed
350 use described at lines 306-308.

351 **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) **STRIKE ONE** ("Seller
352 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a
353 registered land surveyor, within _____ days of acceptance, at (Buyer's) (Seller's) **STRIKE ONE** ("Seller's" if neither is stricken)
354 expense. The map shall show minimum of _____ acres, maximum of _____ acres, the legal description of the
355 Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,
356 if any, and:

357 **[STRIKE AND COMPLETE AS APPLICABLE]** Additional map features which may be added include, but are not limited to:
358 staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square
359 footage; easements or rights-of-way. **CAUTION: Consider the cost and the need for map features before selecting them.**
360 **Also consider the time required to obtain the map when setting the deadline.** This contingency shall be deemed satisfied
361 unless Buyer, within five days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for delivery of said map,
362 delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information
363 materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency.

364 Upon delivery of Buyer's notice, this Offer shall be null and void.

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

368 **CAUTION:** Buyer should verify land dimensions, total square footage/acreage figures and allocation of acreage
369 information if material to Buyer's decision to purchase.

370 **EARNEST MONEY**

371 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker
372 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or
373 otherwise disbursed as provided in the Offer.

374 **CAUTION:** Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the
375 Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special
376 disbursement agreement.

377 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after
378 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.
379 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest
380 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said
381 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse
382 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
383 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4)
384 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an
385 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to
386 exceed \$250, prior to disbursement.

387 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in
388 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to
389 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or
390 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.
391 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4
392 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their
393 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
394 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing
395 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.

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

402 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
403 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
404 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

405 **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery
406 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior
407 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.
408 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice
409 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days after acceptance of this Offer. All
410 other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

411 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
412 occupancy; (4) date of closing; (5) contingency Deadlines ~~STRIKE AS APPLICABLE~~ and all other dates and Deadlines in this
413 Offer except: _____

414 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
415 contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the
416 date or Deadline is allowed before a breach occurs.

417 **TITLE EVIDENCE**

418 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
419 (or trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
420 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
421 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
422 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report and
423 in this Offer, general taxes levied in the year of closing and none

424 _____

425 _____

426 _____

427 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
428 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

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

432 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's) (Buyer's) ~~STRIKE~~
433 ONE ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the
434 effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
435 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
436 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 442-449).

437 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
438 insurance commitment is delivered to Buyer's attorney or Buyer not more than _____ days after acceptance ("15" if left blank),
439 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per
440 lines 418-427, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements
441 and exceptions, as appropriate.

442 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
443 objections to title within _____ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In
444 such event, Seller shall have a reasonable time, but not exceeding _____ days ("5" if left blank) from Buyer's delivery of the
445 notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for
446 closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the
447 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver
448 written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not
449 extinguish Seller's obligations to give merchantable title to Buyer.

450 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, levied or for work actually commenced prior to the date of this
451 Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.

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

458 **ADDITIONAL PROVISIONS/CONTINGENCIES** Actual acreage of property to be sold to be determined after South Pointe
459 Enterprise Campus infrastructure is substantially complete.

460 Closing shall not occur until after City construction is substantially complete for the South Pointe Enterprise Campus (approximately
461 December 31, 2018).

462 The parties acknowledge that the Property is being sold at a reduced rate as it is a remnant parcel

463 Buyer shall have access to Property prior to closing to construct stormwater ponds and a driveway.

464 _____

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

468 If **Buyer defaults**, Seller may:

469 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
470 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for
471 actual damages.

472 If **Seller defaults**, Buyer may:

473 (1) sue for specific performance; or
474 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

475 In addition, the Parties may seek any other remedies available in law or equity.

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

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

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

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

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

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

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____
507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

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

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION:** A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.
516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 **RIGHT TO CURE:** Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 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
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached Exhibit A _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____
527 _____
528 _____
529 _____
530 _____
531 _____
532 _____
533 _____
534 _____

535 This Offer was drafted by [Licensee and Firm] City Attorney Charles C. Adams

536 _____ on July 30, 2018

537 (x)  8-16-18
538 Buyer's Signature & Print Name Here ▶ RACETRACK ROAD, LLC By: Richard Strong Date ▶ _____

539 (x) _____
540 Buyer's Signature & Print Name Here ▶ _____ By: _____ Date ▶ _____

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

542 _____ Broker (by) _____

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

546 (x) _____
547 Seller's Signature & Print Name Here ▶ CITY OF SHEBOYGAN By: Michael J. Vandersteen, Mayor Date ▶ _____

548 (x) _____
549 Seller's Signature & Print Name Here ▶ _____ By: Meradith DeBruin, City Clerk Date ▶ _____

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

551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____
553 Seller Initials ▶ _____ Date ▶ _____ Seller Initials ▶ _____ Date ▶ _____

Approximate
2.9 Acre Parcel

INTERSTATE HIGHWAY

SOUTH HAVEN DRIVE

SOUTH BUSINESS DRIVE
(COUNTY TRUNK HIGHWAY OK)

Phase I
Construction starts
Spring 2018

- Legend**
-  Gateway Element
 -  Secondary Gateway
 -  Recreational Amenity
 -  Traffic Circle
 -  Water Tower
 -  Open Space
 -  Office/Small Scale Industrial
 -  Large Scale Industrial
 -  Stormwater Management Area
 -  Green Infrastructure Components
 -  Project Limits
 -  Roadway
 -  Potential Subdivision Access
 -  Property Lines

Exhibit A

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 82-18-19 by Alderpersons Rindfleisch and Bohren authorizing a transfer of appropriations in the 2018 Budget.

REPORT PREPARED BY: Nancy Buss, Finance Director

REPORT DATE: August 22, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The following two items need Common Council approval to transfer funds:

- Establish appropriation for development incentive to Water's Edge Development of Sheboygan LLC. The transfer will establish an advance from the General Fund to the TID 19 Capital Project Fund. The advance will be repaid with interest from future increment.
- Establish appropriation for City Hall renovations. The total project cost estimate is \$10,500,000. The Common Council approved funding the project with borrowed funds of \$5,000,000 and applied fund balance of \$5,500,000. A previous transfer in 2018 established the \$5,000,000 of applied General Fund fund balance.

STAFF COMMENTS:

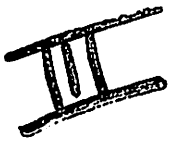
WI State Statutes requires no funds may be expended and no liabilities incurred by the city or any department unless authorized. The resolution will establish the appropriation in the 2018 budget for the Water's Edge Development of Sheboygan LLC development incentive and the City Hall renovation project.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 82-18-19 by Alderpersons Rindfleisch and Bohren authorizing a transfer of appropriations in the 2018 budget.

ATTACHMENTS:

- I. Res. No. 82-18-19.



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 82 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
August 27, 2018.

A RESOLUTION to authorize a transfer of appropriations in the 2018 Budget.

RESOLVED: That the Finance Director be and is hereby authorized and directed to make the following transfers of appropriations in the 2018 Budget for the purposes of:

Establish appropriation for advance to TID 19 for incentive payment to Water Edge's Development of Sheboygan LLC to be reimbursed with future increment.

| <u>FROM</u> | <u>TO</u> | <u>AMOUNT</u> |
|---|--|---------------|
| General Fund Unreserved Fund Balance 101-253000 | TID 19 Capital Projects Fund Development Incentive 42961100-530212 | \$350,000 |

Establish appropriation for city hall renovations utilizing General Fund unreserved fund balance.

| <u>FROM</u> | <u>TO</u> | <u>AMOUNT</u> |
|--|---|---------------|
| General Fund Fund Balance 101-253000 | Capital Project Fund City Hall Renovations 400112100-621200 | \$500,000 |

*Finance
Personnel*

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____, _____, City Clerk

Approved _____ 20____, _____, Mayor

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: DIRECT REFERRAL: Res. No. 83-18-19 by Alderpersons Rindfleisch and Bohren authorizing City officials to enter into a Development Agreement with Water's Edge Development of Sheboygan, LLC.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: August 21, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Water's Edge of Sheboygan, LLC is the developer proposing to develop 32 town homes at the former vacant land owned by Richardson Lumber west of the Glas Coffee Shop adjacent to the Sheboygan River. The units will be modeled after traditional Wisconsin housing forms found within the adjacent neighborhood. The project will be divided into two phases. Phase one will consist of 15 units and phase two will be 17 units. The property is located in the new TID 19.

Under the agreement, the developer agrees to create at least \$3,250,000 for phase one improvements and receive an upfront developer incentive of \$350,000. The anticipation is that phase two (\$3,750,000) will occur in late 2019 and will create a total valuation of the \$7,000,000 in exchange for receiving a pay-go TIF incentive up to an additional \$350,000 over a maximum of the five years.

Should the developer not proceed with phase two and not create at least \$3,250,000 in value, the agreement provides for the developer to make annual property tax shortfall payments to the city and the developer to provide the city with a \$350,000 letter of credit as a shortfall payment guarantee.

STAFF COMMENTS:

This is the first condominium project in the city since 2008. City staff has worked diligently with the developer to establish an agreement that protects both parties and is financially viable should the entire project not be constructed because of the unforeseen market conditions. City staff should be commended on the negotiation of this agreement to protect the investment in this TID. This project is also being planned in an area that has been master

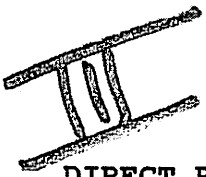
planned for redevelopment for a number of years and will be the catalyst for future redevelopment in the corridor.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. 83-18-19, authorizing City officials to enter into a Development Agreement with Water's Edge Development of Sheboygan, LLC.

ATTACHMENTS:

- I. Res. No. 83-18-19



DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE

Res. No. 83 - 18 - 19. By Alderpersons Rindfleisch and Bohren.
August 27, 2018.

A RESOLUTION authorizing entering into a Development Agreement with Water's Edge Development of Sheboygan, LLC.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Development Agreement with Water's Edge Development of Sheboygan, LLC regarding proposed condominiums in Sheboygan, in form substantially similar to the attached agreement.

FINANCE PERSONNEL

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor

**DEVELOPMENT AGREEMENT
BY AND BETWEEN**

**WATER'S EDGE DEVELOPMENT OF SHEBOYGAN, LLC
AND THE CITY OF SHEBOYGAN**

THIS DEVELOPMENT AGREEMENT ("Agreement"), is made this _____ day of August, 2018, by and between the City of Sheboygan, Wisconsin, a municipal corporation of the State of Wisconsin (which, together with any successor public body or officer hereafter designated by or pursuant to law, is hereinafter called "City"), having its principal offices at 828 Center Avenue in the City of Sheboygan, Wisconsin, and Water's Edge Development of Sheboygan, LLC., a Wisconsin limited liability company (hereinafter called "Developer"), having an office for the transaction of business at 7722 W. Hawthorne Road, Mequon, WI 53097

RECITALS

The City is in the process of establishing a Tax Incremental District ("TID #19"), in accordance with §66.1105, Wis. Stats. ("the Tax Increment Law"), in order to provide a viable method of financing eligible project costs within the district for appropriate private development, which will contribute to the overall development of the City.

The City is authorized by the Tax Increment Law to pay Project Costs, as defined in §66.105(2)(f), Wis. Stats., from the special fund of TID #19 or from the proceeds of municipal obligations issued pursuant to statute.

The City is authorized by the Tax Increment Law to enter into any contract or agreement necessary or convenient to implement the provisions and effectuate the purposes of a Project Plan, as defined in §66.1105(2)(g), Wis. Stats.

The Project Plan for TID #19 includes Development Incentive Payments as eligible project costs for purposes of carrying out the Project Plan.

The City proposes to enter into this Development Agreement with the Developer to achieve the objectives of TID #19 and to facilitate the implementation of TID #19's Project Plan. The City is prepared to provide financial assistance to the Developer through Development Incentive Payments in order to bring about the continued development in accordance with this Agreement.

The Project Plan to be undertaken by the Developer is of particular importance to the City and provides special benefits to the City because of its prominent location along the Sheboygan River in an underutilized area near the busy intersection of the North 14th Street and Erie Avenue.

The City believes that the development of the Property through construction of the Project pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and of the health, safety and welfare of its residents.

AGREEMENT

NOW, THEREFORE, it is in the mutual interest of all parties to proceed with development of the Project, and in return for the benefits to be derived therefrom, the City is prepared to provide financial assistance to the Developer through Development Incentive Payments in order to bring about the development and thereby promote the sound redevelopment of the City's riverfront area.

ARTICLE I. OVERVIEW OF THE PROJECT

The Project consists of 32 condominium units, of which 22 units are two bedroom/two-stall garage and 10 are two bedroom/one-stall garage units, all of which will be sold to private residents. The Project will be done in two phases with the first phase consisting of not less than 15 units ("Project Phase I") and the second phase consisting of the remaining units to reach the total of 32 units ("Project Phase II").

ARTICLE II. DEFINITIONS

All capitalized terms used herein and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

"Agreement" or "Development Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented.

"Certification Date" shall mean the day each year when the City certifies the assessment of property for purpose of real property tax assessment in that year.

"Construction Plans" means state approved plans for the construction of the Project as described in Section 601 hereafter.

"Developer" means Water's Edge Development of Sheboygan, LLC. and its permitted successors and assigns.

"Development Incentive Payments" means the incentive payments to the Developer by the City as set forth in Section 402 hereafter.

"Plans and Specifications" means the plans and specifications for the Project prepared from time to time by the Developer which are approved by the City in accordance with all procedures and requirements of the City for such approvals.

"Project" means the development proposed by Developer as described in Article I.

"Property" means the property legally described on attached Exhibit A.

"Tax Incremental Value" means the increased real property assessment of the Property generated by the Project.

"Tax Increment Revenue" means the Tax Increment (as defined in §66.1105(2)(i), Wis. Stats.) generated from the Tax Incremental Value. Personal Property is not included in determining the Tax Increment Revenue.

"TID Project Plan" means the Project Plan for the TID #19 of the City of Sheboygan, Wisconsin.

ARTICLE III. CONSTRUCTION SCHEDULE

It is anticipated that the construction schedule for the Project will be carried out as follows:

| | |
|--------------------------------|-----------------------|
| City Plan Approvals | By August 31, 2018 |
| Creation of TID | By September 15, 2018 |
| Issuance of Building Permits | By October 31, 2018 |
| Start Construction | By October 31, 2018 |
| Phase I Substantial Completion | By May 31, 2019 |

ARTICLE IV. DEVELOPMENT PROVISIONS

Section 401. *Minimum Investment.* If Developer decided to proceed with Phase II the Developer shall invest (Phase I and Phase II) a minimum of Six Million Four Hundred Thousand Dollars (\$6,400,000) in the construction of the Project ("Minimum Investment"). Minimum Investment includes all hard costs for construction of all buildings and other improvements on the Property and leasehold improvements, excluding all soft costs, made or incurred by Developer, its successors or assigns, in connection with the Project, on or before the completion date of construction of the Project on the Property as required by this Agreement, or such later date as the parties may hereafter agree. Hard costs include the following costs incurred in the development of the Project: demolition; site work; architectural and civil costs; remediation; utilities serving the new project (including relocation of existing utilities); all labor and materials required for the Project including contractor general conditions and customary allowance for contingency; offsite improvements required to service the Project; storm water facilities (both offsite and onsite); geotechnical and other testing; construction completion and payment and performance bonds; any and all costs (remediation costs or otherwise) Developer may incur with respect to any environmental contamination, hazardous materials, conditions or substances, recognized environmental conditions or any other environmental condition, which may exist on, in or with respect to the Property. Developer shall provide evidence reasonably satisfactory to the City within 90 days of the completion of Project Phase I that Developer has expended not less than Three Million Dollars (\$3,000,000) in hard costs.

Section 402. *Development Incentive Payments.*

A. Initial Incentive Payment. Conditioned upon Developer obtaining a written loan commitment from a lending institution of Developer's choice in an amount and with such terms and conditions acceptable to Developer, within Developer's sole discretion, for the construction of the Project and also providing documentation to the City to substantiate the remaining funds needed to complete the Project as evidenced by agreements from lenders and equity investors,

the City shall pay to Developer the sum of Three Hundred Fifty Thousand Dollars (\$350,000) ("Initial Incentive Payment") within thirty (30) days of issuance of a building permit for the Project. As consideration for receiving the Initial Incentive Payment, the Developer guarantees that the minimum assessed property valuation of the Project Phase I will be Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000) ("Phase I Required Assessment"). If, on the Certification Date for 2020, the assessed property valuation of the Project Phase I is less than the Phase I Required Assessment, the Developer shall pay to the City by January 30, 2021 an amount equal to the product of (a) the then current mill rate for the City of Sheboygan and (b) the difference between the Phase I Required Assessment and the then current assessed property valuation of the Project (the "Initial Shortfall Payment"). Additionally, if on the Certification Date for each of the five years between and including 2021 and 2025 the assessed property valuation of the Project Phase I is less than Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000), the Developer shall annually pay to the City by the January 30 following the Certification Date an amount equal to the product of (a) the then current mill rate for the City of Sheboygan and (b) the difference between the Phase I Required Assessment and the then current assessed property valuation of the Project (the "Annual Shortfall Payment"). Additionally, but subject to the CAP hereafter defined, if on the Certification Date for 2025, the assessed property valuation of the Project Phase I has never reached the Phase I Required Assessment, the Developer shall, by January 30 2026, pay an Additional Shortfall Payment in an amount equal to the number of years remaining in the TID District multiplied by the product of the then current mill rate for the City of Sheboygan and the difference between the Phase I Required Assessment and the assessed property valuation of the Project on January 1, 2026. Notwithstanding the foregoing, in no case shall the sum of the Initial Shortfall Payment and all Annual Shortfall Payments paid by the Developer pursuant to this paragraph exceed Ninety Thousand Dollars (\$90,000) (the "CAP"). To secure the Developer's guarantee in this Section 402A and prior to the issuance of the building permit for the Project, the Developer shall provide to the City a letter of credit from a lender and in form and content deemed acceptable to the City, in an amount equal to Ninety Thousand Dollars (\$90,000) and with a term through January 31, 2021, renewable annually for five additional years. Once the assessed value of Project Phase I has reached Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000), the Developer is released from any responsibility to pay any Shortfall Payment and from the requirement to renew the letter of credit.

B. Annual Incentive Payment. As an inducement to Developer for the development of the Project and conditioned on the completion of Phase II with an estimated assessed property valuation of the Project being at least Seven Million Dollars (\$7,000,000) , the City agrees to pay to the Developer each year, for a maximum period of five (5) years, an annual Development Incentive Payment up to a cumulative total principal sum not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) (each yearly payment being referenced to as an "Annual Incentive Payment"). The Annual Incentive Payment shall be calculated and paid to the Developer as follows: An amount equal to forty percent (40%) of the Tax Increment Revenue from the Project in a year, regardless of owner. The City shall make the Annual Incentive Payment to the Developer, if any, under this Section no later than September 30 of each year, commencing the year after the Developer completes the Project Phase II. Payment by the City of the Annual Incentive Payment will only be made if the Developer has paid current year property taxes (real and personal) to the City in full for all units owned by the Developer. If the Developer has not completed Project Phase II by December 31, 2021, then the City's obligation to make Annual Incentive Payments hereunder shall terminate.

C. General Provisions.

(i) The Development Incentive Payments made under this Agreement are provided to the Developer by the City as part of a negotiated, lawful contract with Developer in exchange for consideration, including requirements to develop property within the TID in a manner that inures to the benefit of the general public, including those residing, owning property, or engaged in employment within the City. Said payments are in no way tied to future property tax payments and do not provide any future tax break, nor do they refund already paid taxes.

(ii). If a completed unit in the Project has not sold during a period of 120 days from it being available for occupancy, the Developer shall be entitled to rent such unit until it is sold. During any period of rental the Developer shall continue to endeavor to sell a rented unit.

(iii) Recognizing that the Project is a condominium development, it is the goal of the Developer to sell all units constructed within the Development. No matter the sale of all or any portion of the units at the time of payment of a Development Incentive Payment, all such payment shall be made to the Developer.

(iv) Recognizing the Project includes a public right of way approximately from Wisconsin Avenue to the Sheboygan River (the "Encroachment Area"), the construction of the Project is dependent and conditioned upon the City and Developer entering into an Encroachment Agreement for the encroachment upon and use by the Developer of the Encroachment Area in construction of the Project.

**ARTICLE V.
TID CONTINGENCY**

Developer's and the City's obligations hereunder are contingent upon the City creating and obtaining Joint Review Board approval of a Tax Incremental District encompassing, at a minimum, the Property, as contemplated herein, on or before September 15, 2018, and having the base year certified by the Wisconsin Department of Revenue as 2018.

If the contingency set forth in this Article is not timely satisfied, amended or waived, then this Agreement shall terminate and the parties shall be relieved of all liability to one another under this Agreement.

**ARTICLE VI.
CONSTRUCTIONS PLANS; CONSTRUCTION OF IMPROVEMENTS;
CERTIFICATE OF COMPLETION**

Section 601. Plans for Construction of Improvements. Plans and specifications with respect to the development of the Property and the construction of Improvements thereon shall be in material conformity with this Agreement, and all applicable federal, state and local laws and regulations. As promptly as possible after the date of execution of this Agreement, but no sooner than sixty (60) days of execution of this Agreement, the Developer shall submit to the City, for approval by the City, plans, drawings, specifications and related documents, and the proposed construction schedule (which plans, drawings, specifications, related documents and progress schedule, together with any and all changes therein that may thereafter be made and submitted to the City as herein provided are, except as otherwise clearly indicated by the context, hereinafter collectively called "Construction Plans"), with respect to the Improvements

to be constructed by the Developer on the Property, in sufficient completeness and detail to show that such Improvements and construction thereof will be materially in accordance with the provisions of this Agreement.

The City shall, if the Construction Plans originally submitted materially conform to the provisions of this Agreement, approve in writing such Construction Plans and no further filing by the Developer or approval by the City thereof shall be required, except with respect to any material change. Such Construction Plans shall, in any event, be deemed approved unless rejection thereof in writing by the City, in whole or in part, setting forth in detail the reasons therefor, shall be made within thirty (30) days after the date of their receipt by the City.

If the City, in its reasonable discretion, so rejects the Construction Plans in whole or in part as not being in material conformity with this Agreement, the Developer shall submit new or corrected Construction Plans which are in material conformity with this Agreement within thirty (30) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans hereinabove provided with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by the City, which approval shall not be unreasonably withheld or delayed, provided, that in any event the Developer shall submit Construction Plans which are in material conformity with the requirements of this Agreement, as determined by the City, no later than ninety (90) days after the date the Developer receives written notice from the City of the City's first rejection of the original Construction Plans submitted to it by the Developer.

All work with respect to the Improvements to be constructed or provided by the Developer on the Property shall be in material conformity with the Construction Plans as approved by the City. The term "Improvements," as used in this Agreement, shall be deemed to have reference to the Improvements as provided and specified in the Construction Plans as approved.

Developer, as an inducement to the City to proceed with establishment of a Tax Incremental District and to provide Development Incentive Payments as provided herein to Developer for the development of the Project, hereby represents that the contemplated Project will be fully subject to real estate and personal property taxes under state law. Developer further represents and agrees for itself, its successors and assigns, that it shall take no action(s) or advocate any position or change in state law which would jeopardize or call into question the taxability of the Project, that it agrees not to take any action that will change the taxability of the property, and that it shall insert deed restrictions in any subsequent transfer of any portion of the Project to ensure that all future owners, assignees, and title holders of record shall be bound by the requirements of this paragraph.

Notwithstanding the above, in the event that the Project, or the Property, or any part thereof, is determined at any time to be exempt from real and/or personal property taxation under state law, Developer, for itself, its successors and assigns, agrees to make payments in lieu of taxes to the City, County, school district, and any other property taxing jurisdictions in the amounts and within the time periods that would otherwise be required as if the property were fully taxable, in recognition of the valuable governmental services and benefits available and/or provided to the Project and the Property.

Section 602. Changes in Construction Plans. If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for its approval. If the Construction Plans, as modified by the proposed change, materially conform to the requirements of Section 601 hereof with respect to such previously approved Constructions Plans, the City shall approve the proposed change and notify the Developer in writing of its approval, which approval shall not be unreasonably withheld or delayed. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejection thereof, in whole or in part, by written notice thereof by the City to the Developer, setting forth in detail the reasons therefor, shall be made within thirty (30) days after the date of the City's receipt of notice of such change.

ARTICLE VII. INDEMNIFICATION

Developer releases from and covenants and agrees that the City, the governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "City Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the City Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, provided that the foregoing indemnification shall not be effective for any actions of the City Indemnified Parties that are not contemplated by this Agreement or which result from negligent acts or willful misconduct of the City Indemnified Parties in fulfilling the obligations of the City or their agents as set forth under this Agreement.

Except for any negligent acts or any willful misrepresentation of the City Indemnified Parties, Developer agrees to protect and defend the City Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of Developer (or other persons acting on its behalf or under its direction or control) with respect to the Project work to be performed by Developer under this Agreement.

ARTICLE VIII. MISCELLANEOUS

Section 801. Conflict of Interests; City Representatives Not Individually Liable. No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. No member, official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 802. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 803. Successors and Assigns. This Agreement shall be binding upon the respective successors and assigns of the parties. Notwithstanding anything contained in this

Agreement to the contrary, Developer may assign this Agreement by one or more successive assignments at any time prior to closing to any related entity or affiliate of Developer. Upon any such assignment, the assignee shall have the rights and obligations of Developer hereunder and Developer shall thereupon, automatically and without execution of further instruments or documents, be relieved and released from any obligations under this Agreement, without any further action or approval of the parties.

Section 804. Notices and Demands. A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (a) in the case of the Developer, is addressed to or delivered personally to the Developer at 7722 W. Hawthorne Road, Mequon, WI 53097, Attention: Paul Weaver; and
- (b) in the case of the City, is addressed to or delivered personally to the City, Attention: City Clerk, at 828 Center Avenue, Suite 100, Sheboygan, Wisconsin 53081;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section. If delivered by registered or certified mail, such notice, demand or other communication shall be deemed delivered and received upon deposit in the U.S. Mail.

Section 805. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Wisconsin.

Section 806. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Signatures delivered by facsimile, email (in pdf.) or similar electronic methods shall be deemed to be original signatures for all purposes.

Section 807. Recording. This agreement or a memorandum of this Agreement shall be recorded in the Office of Sheboygan County Register of Deeds against the Property at the cost of the Developer.

(Signature Page Follows)

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, and the Developer has caused this Agreement to be duly executed in its name and behalf by its members, on or as of the day first above written.

**CITY OF SHEBOYGAN,
WISCONSIN**

**WATER'S EDGE DEVELOPMENT OF
SHEBOYGAN, LLC.**

BY: _____
Michael J. Vandersteen, Mayor

BY: _____
Paul Weaver, Manager

ATTEST: _____
Meredith DeBruin, City Clerk

ACKNOWLEDGMENTS

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me this _____ day of _____, 2018, the above-named Michael J. Vandersteen, Mayor, and Meredith DeBruin, City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, State of
Wisconsin My Commission

STATE OF WISCONSIN)
) ss
_____ COUNTY)

Personally came before me this _____ day of _____, 2018, the above-named _____, _____, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, State of
Wisconsin My Commission

EXHIBIT "A"
Description of Property

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, in Block 119, of the Original Plat of the City of Sheboygan.

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Com. No. 1-18-19. Communication from Gary Tauferner regarding an upgrade to cable channel 990.

REPORT PREPARED BY: Greg Vertelka, Director of Information Technology

REPORT DATE: August 21, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The existing connection from WSCS to Spectrum is a coax cable which prevents a SD quality video and audio signal being transmitted to Spectrum and the home consumer.

STAFF COMMENTS:

The attached email highlights the communication between Alderperson Jim Bohren and Gary Tauferner regarding the connectivity between the WSCS studio and the Spectrum broadcasting location. The document also includes a communication from Greg Vertelka detailing the background information. The cable upgrade at a cost of \$80,000 was not included in the 2019-2023 Capital Improvement Program.

ACTION REQUESTED:

For informational purposes only.

ATTACHMENTS:

- I. Com. No. 1-18-19

I

3.1

Com. No. L-18-19. August 6, 2018.

Submitting a communication from Gary Tauferner regarding an upgrade to Cable Channel 990.

Presented to the Common Council by Alderperson

James A. Bohren
Bohren

Finance + Personnel

DeBruin, Meredith

From: Alderperson Jim Bohren
Sent: Friday, July 20, 2018 2:12 PM
To: DeBruin, Meredith
Cc: Gary Tauferner
Subject: FW: Decision on Channel 990

Sheboygan City Clerk Meredith DeBruin -

Please submit Mr. Tauferner's e-mail as a document for the Monday August 6th Council meeting and please refer it to the Finance and Personnel Committee. He would like to address this issue to the Council during the public forum at the 8/6 Council meeting. Mr. Tauferner's contact information is as follows: Gary Tauferner 2606 Grey Fox Ct. Sheboygan, WI 53081 Telephone: 920 452-6185 or 920-912-2171. Thank you.

Alderman Jim Bohren
Serving on the Sheboygan Common Council Since April, 2006.

10th District - Wards 23 & 26
City of Sheboygan, Wisconsin
(920) 453-0610
jim.bohren@sheboyganwi.gov

2018 - 2019 Committee Assignments
Finance and Personnel Committee - Vice Chairman Capital Improvements Commission City Plan Commission

From: Gary Tauferner [glt56@msn.com]
Sent: Thursday, July 19, 2018 1:34 PM
To: Alderperson Jim Bohren
Subject: Decision on Channel 990

Hi Jim,

After hearing from Greg once again this morning, it became apparent that this upgrade is not in next years budget.

I am totally upset with this decision and I feel as a taxpayer of the city of Sheboygan, this issue needs to be brought back to the floor of the common council.

What do I have to do to make this happen? It has to be brought back to their attention, that this channel needs to be definitely upgraded to the citizens of Sheboygan, so they can watch the programs on it. Again, for the population of the city

of Sheboygan, we deserve to have
a local channel that gives this
information to us.

The city of Sheboygan spent thousands of unnecessary dollars to change their logo several years ago, but they cannot
pass dollars for equipment that dates back to the nineteen eighties. Let's get going on this much needed upgrade, so the
people of Sheboygan can watch a channel that deserves to be watched and listened to.

Please submit a resolution to get
this matter looked at again and corrected once and for all.

Sincerely,

Gary Tauferner

Sent from my iPhone

DeBruin, Meredith

From: Alderperson Jim Bohren
Sent: Thursday, July 26, 2018 10:07 AM
To: DeBruin, Meredith
Cc: Vertelka, Greg
Subject: FW: Cable TV - Fiber I-Net

Meredith -

Please attach the e-mail below from Greg Vertelka to the document I submitted a few days ago from my constituent for the 8/6 Council meeting. It is being referred to the F&P Committee. Thank you.

Alderman Jim Bohren

Serving on the Sheboygan Common Council Since April, 2006.

10th District - Wards 23 & 26
City of Sheboygan, Wisconsin
(920) 453-0610
jim.bohren@sheboyganwi.gov

2018 - 2019 Committee Assignments

Finance and Personnel Committee - Vice Chairman
Capital Improvements Commission
City Plan Commission

From: Vertelka, Greg
Sent: Wednesday, July 25, 2018 11:14 AM
To: Alderperson Jim Bohren
Cc: Vertelka, Greg
Subject: RE: Cable TV - Fiber I-Net

Jim,

The Fiber I-Net project is to designed to replace a circa 1980's coax cable that we utilize to send our WSCS signal to Spectrum for broadcast with fiber. The \$80,000 budget is allocated for the construction costs to install the fiber.

By transmitting out signal we will see an immediate increase in the video and audio quality of our channel on WSCS. Currently, the signal as broadcast is analog which delivers the moderate quality that is shown today. The fiber will bump up our signal to standard definition quality for the citizens. There is one additional step that is required from Spectrum to broadcast the signal in high definition which most commercial channels are broadcast in. Currently Spectrum broadcasts all Public/Education/Government (PEG) channels in standard definition. They would need to change that policy in order for our channel to be broadcast in high definition.

There are efforts underway to introduce legislation to require video carriers to broadcast PEG channels in high definition.

This is the ACT that is being introduced to aid PEG channels in a number of ways. I have highlighted the section that discusses high definition. This is a summary from the Wisconsin Community Media organization which is the industry association for PEG stations in Wisconsin.

The Community Access Preservation Act (The CAP Act) has been introduced the last three sessions of Congress. WCM supports the CAP Act and any legislation that would strengthen local programming that would require all video carriers to

- *Assess a PEG fee if a local community wants it.* Wisconsin municipalities may not assess a PEG fee due to the state law passed in 2007 that made state government the "local franchising authority." At the time, PEG fees in Wisconsin averaged 25 cents per subscriber per month but several public access facilities negotiated higher fees, closer to \$1, to fund operating costs. These centers either closed or were substantially diminished by the loss of PEG fees. Those that relied on PEG fees for capital equipment have never found alternate sources of funding.
- *Include PEG program listings on the Electronic Program Guide.* Besides informing viewers about what's on PEG channels, the EPG enables viewers to use time-shifting technology like DVRs. Only a handful of access channels in Wisconsin are listed on the Electronic Program Guide.
- *Carry PEG programming on channel numbers closer to the location of broadcast channels.* In Charter communities, access channels are carried in the 980s and 990s where few viewers venture. AT&T systems don't really carry the access channels on the line-up at all. Viewers must navigate through a series of web pages to get to and reverse out of viewing access channels.
- *Assess funding for PEG fees and franchise fees on all wireline services both "cable" and information services (broadband Internet).* Both services carry video on the same line running through city rights-of-way.
- ***Support media centers that invest in HD equipment by providing them with the bandwidth needed to cablecast in HD.*** WCM would like to see Charter, Time Warner, and AT&T follow the lead of Solarus, a company providing cable services in Wisconsin Rapids.

Regards,

Greg

Greg Vertelka

Director of Information Technology
City of Sheboygan/WSCS Sheboygan

Phone: 920-459-4271

Cell: 414-510-1167

greg.vertelka@sheboyganwi.gov

<http://www.sheboyganwi.gov/>



From: Alderperson Jim Bohren
Sent: Wednesday, July 25, 2018 9:15 AM
To: Vertelka, Greg
Subject: Cable TV - Fiber I-Net

Greg -

Can you please give me an explanation of what is involved in the \$80,000 Cable TV - Fiber I-Net project if the city would do it and what it would do to enhance signal quality as it relates to HD quality picture and sound quality. Thanks.

Alderman Jim Bohren

Serving on the Sheboygan Common Council Since April, 2006.

10th District - Wards 23 & 26
City of Sheboygan, Wisconsin
(920) 453-0610
jim.bohren@sheboyganwi.gov

2018 - 2019 Committee Assignments

Finance and Personnel Committee - Vice Chairman
Capital Improvements Commission
City Plan Commission

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Benchmark Measurements for Information Technology (IT) Department, for the period commencing January 1, 2018 and ending June 30, 2018.

REPORT PREPARED BY: Greg Vertelka, Director of Information Technology

REPORT DATE: August 8, 2017

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
 Budget Summary: N/A
 Budgeted Expenditure: N/A
 Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
 Municipal Code: N/A

BACKGROUND / ANALYSIS:

These are the benchmark measurements as defined in the 2018 strategic plan for IT.

STAFF COMMENTS:

The following are the YTD measurements and 2018 goals.

| Measurements | 2016 Actual | 2017 YTD | 2017 Actual | 2018 YTD | 2018 Goals |
|--|------------------------|---------------------|------------------------|---------------------|-----------------------|
| <u>Efficiency</u> | | | | | |
| Average close time of Critical/High IT Help Tickets (Days) | N/A | N/A | N/A | 2.3 | 5 |
| <u>Effectiveness</u> | | | | | |
| Percent closed within timeframe | N/A | N/A | N/A | 85% | 90% |
| <u>Efficiency</u> | | | | | |
| Maintain core server/network at current -1 firmware | N/A | N/A | N/A | 98% | 100% |
| <u>Workload</u> | | | | | |
| Percentage of Computers with FortiGate Client installed | 75% | 98% | 99% | 100% | 100% |
| Number of Security Audits performed | 1 | 0 | 0 | 0 | 2 |
| <u>Workload</u> | | | | | |
| Internal System Availability | N/A | N/A | N/A | 97% | 99% |
| External Availability | N/A | N/A | N/A | 100% | 99% |

ACTION REQUESTED:

For informational purposes only.

ATTACHMENTS:

None

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Benchmark Measurements for Cable TV (WSCS) Division, for the period commencing January 1, 2018 and ending June 30, 2018.

REPORT PREPARED BY: Greg Vertelka, Director of Information Technology

REPORT DATE: August 21, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

These are the benchmark measurements as defined in the 2018 strategic plan for WSCS.

STAFF COMMENTS:

The following are the YTD measurements and 2018 goals.

| Measurements | <u>2016 Actual</u> | <u>2017 YTD</u> | <u>2017 Actual</u> | <u>2018 YTD</u> | <u>2018 Goals</u> |
|------------------------------|------------------------|---------------------|------------------------|---------------------|-----------------------|
| <u>Workload</u> | | | | | |
| Number of Programs Produced | 474 | N/A | 480 | 268 | 500 |
| Number of Broadcast Channels | 5 | 5 | 5 | 5 | 8 |
| <u>Effectiveness</u> | | | | | |
| On-Demand Viewing | 8,210 | 6187 | 8,298 | 3,607 | 9,500 |
| On-Demand Unique Visitors | 3,394 | 2490 | 3,252 | 2,292 | 3,500 |
| Number of Film Awards | 3 | 3 | 3 | 8 | 3 |

ACTION REQUESTED:

For informational purposes only.

ATTACHMENTS:

None

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Benchmark measurements for Office of City Clerk for the period commencing January 1, 2018 and ending June 30, 2018.

REPORT PREPARED BY: Meredith DeBruin, City Clerk

REPORT DATE: August 21, 2018

MEETING DATE: August 27, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

This report includes 2018 Benchmark measurements for the Office of the City Clerk (including Elections, Common Council and City Clerk) reflecting the performance for the period commencing January 1, 2018 and ending June 30, 2018. Liquor license renewals were due by June 30, 2018. The Clerk’s office processed 179 establishment applications and 371 individual applications during the quarter.

ELECTIONS:

| Measurements | 2016 Actual | 2017 Actual | 2018 YTD | 2018 Goals |
|--|----------------|----------------|-------------|---------------|
| <u>Workload</u> | | | | |
| Number of elections | 4 | 2 | 2 | 4 |
| Total votes cast | 57,685 | 9,954 | 9,941 | 51,000 |
| Percent of votes cast by absentee ballot | 10% | 16% | 15% | 18% |
| New registrants | 9,977 | 83 | 237 | 7,500 |
| Percent of voters who were new registrants | 20% | 1% | 41% | 2% |
| <u>Efficiency</u> | | | | |
| Cost per vote | \$2.06 | \$5.64 | \$5.60 | \$2.45 |

COMMON COUNCIL:

| Measurements | 2016 Actual | 2017 Actual | 2018 YTD | 2018 Goals |
|------------------------------|----------------|----------------|-------------|---------------|
| <u>Effectiveness</u> | | | | |
| Resident Satisfaction Rating | 81% | 76% | 73% | 80% |

CITY CLERK:

| Measurements | 2016 Actual | 2017 Actual | 2018 YTD | 2018 Goals |
|------------------------------|----------------|----------------|-------------|---------------|
| <u>Effectiveness</u> | | | | |
| Resident Satisfaction Rating | 96% | 92% | 94% | 80% |

ACTION REQUESTED:

For informational purposes only.

ATTACHMENTS:

None.