

*****ATTACHMENTS*****

OFFER TO PURCHASE

THIS OFFER TO PURCHASE ("Offer") is made and entered into as of this 1st day of December, 2021 ("Effective Date"), by and between General Capital Acquisitions, LLC, a Wisconsin limited liability company and/or its assignee ("Buyer") and the Redevelopment Authority of the City of Sheboygan ("Seller").

RECITALS

A. Seller currently holds title to that certain real property designated as Parcel Nos. 59281505760, 59281505670, 5921505800, 59281505810, 59281505820, 59281505830, 59281505840, 59281505860, 59281505870, 59281505880, 59281505930, and 92532643 and that portion of Parcel No. 92532619 adjacent to South 9th Street and south of Parcel Nos. 59281505760 and 59281505670, located in Sheboygan, Wisconsin and depicted in Exhibit A attached hereto (the "Property"). The term "Property" shall further include, without limitation, all of the following: all land identified herein (whether by address, tax parcel, property name or other description) as all or part of the Property; all buildings, parking, fixtures, improvements and easements located on or appurtenant to such land (but excluding any and all furnishings or other personal property belonging to Seller); and, all licenses, permits, plans, specifications and all other rights, title and interest appurtenant and otherwise relating to any and all such property.

B. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and promises of the parties, Seller and Buyer hereby agree as follows:

AGREEMENT

1. Purchase Price.

(a) The purchase price ("Purchase Price") for the Property shall be Three Hundred Thousand Dollars (\$300,000) minus the cost (not to exceed \$150,000) of any Remedial and Site Work. The term "Remedial and Site Work" shall mean any work performed by Buyer or its contractors to (i) remediate, address or remove Hazardous Substances (defined below) located on the Property, or to address any environmental condition affecting the Property, or (ii) to install or relocate utilities and/or other infrastructure or to perform other site preparation work in order to develop the Property for Buyer's Intended Use (defined below). \$300,000 shall be deposited by Buyer with Title Company (defined below) at Closing (defined below), subject to pro-rations, deferrals and credits as provided in this Offer, by delivery of a certified or cashier's check or by wire transfer. \$150,000 of such deposit (the "Escrowed Funds") shall be deposited in an escrow account with Title Company at Closing to reimburse the Buyer (pursuant to an escrow agreement to be entered into between Buyer, Seller and Title Company (the "Post-Closing Escrow Agreement")) for the cost of any Remedial and Site Work performed by Buyer after Closing. The remaining \$150,000, subject to pro-rations, deferrals and credits as provided in this Offer, shall be disbursed by Title Company to Seller at Closing. If the amount of the Escrowed Funds exceeds the cost of the Remedial and Site Work, any excess shall be disbursed to Seller upon completion of the Remedial and Site Work.

(b) Within two (2) business days from the Effective Date, Buyer shall deposit with the Title Company, in a joint order escrow pursuant to the Title Company's usual and customary escrow instructions, the sum of Ten Thousand and No/100 Dollars (\$10,000.00) ("Earnest Money"). The Earnest Money may be invested by Title Company (at Buyer's option) in an interest-bearing account with all interest accruing thereon paid to Buyer and applied toward the Purchase Price at Closing. Buyer shall pay all fees and costs related to the Earnest Money joint order escrow account. Except as otherwise set forth herein, the Earnest Money shall become non-refundable, but remain applicable to the Purchase Price, after the expiration of all Contingency Periods (as defined below).

2. Contingencies. Buyer's obligations to conclude this transaction are contingent upon the following (each a "Contingency" and collectively, the "Contingencies"):

(a) Survey. On or before December 10, 2022 ("Survey Period"), Buyer obtaining, at its expense, an up to date ALTA survey of the Property in form and substance satisfactory to Buyer, prepared by a registered land surveyor and certified to Buyer and such others as Buyer may reasonably request, which survey shall show all exceptions noted on the Commitment (defined below) called for in Section 4 below and which shall be sufficient to delete all standard survey exceptions from the Commitment ("Survey").

(b) Documentation Approval. On or before December 10, 2022 ("Document Approval Period"), Buyer reviewing and approving, in its sole discretion, copies of any and all documentation provided pursuant to Section 5 below.

(c) Required Approvals. On or before December 10, 2022 ("Approvals Period"), Buyer obtaining, at its expense, approvals from any federal, state or municipal governmental department or agency as is necessary or desirable for the contemplated transaction to occur and to allow Buyer to use the Property as contemplated herein (collectively, "Approvals"), and reviewing and verifying, in its sole discretion, that the Property is fully compliant with all relevant governmental rules, regulations and restrictions governing Buyer's proposed use of the Property as multifamily housing ("Buyer's Intended Use"). Seller shall reasonably cooperate with Buyer in connection with the procurement of the Approvals; provided, however, Seller shall not be required to incur any out-of-pocket costs in connection therewith.

(d) Environmental. On or before December 10, 2022 ("Environmental Period"), Buyer obtaining written environmental assessments and/or evaluations of the Property (including Phase I and Phase II studies) from an environmental consultant of Buyer's choice acceptable to Buyer in Buyer's sole discretion.

(e) Title Review & Insurance. On or before December 10, 2022 ("Title Review Period"), Buyer reviewing and approving, in its sole discretion, any and all easements, restrictive covenants, restrictions, land use regulations or other encumbrances affecting the Property. Also, Buyer determining that the Survey and Commitment called for in this Section 2 and Section 4 below are acceptable in Buyer's sole discretion. For purposes of this Offer, the term "Permitted Exceptions" shall mean only those title and survey exceptions reflected on the Commitment and the Survey either: (i) to which Buyer does not object in writing prior to the expiration of the time period set forth herein; or (ii) which Buyer accepts pursuant to Section 4(c)

below, but in any case expressly excluding all liens and similar type encumbrances of a definite or ascertainable amount, including but not limited to mortgages, tax liens, mechanics' liens and judgment liens (collectively, "Liens").

(f) Additional Inspection. On or before December 10, 2022 ("Due Diligence Period"), Buyer performing, at its expense, such inspections and other investigations and testing deemed appropriate by Buyer, including but not limited to appraisals, wetland and floodplain surveys, soil, pests and any investigations required to develop both architectural and engineering plans, and investigations into regulatory, title, lease, tenant, operations, insurance premiums and other matters deemed relevant by Buyer, which collectively indicate to the sole satisfaction of Buyer that the Property is acceptable to Buyer in Buyer's sole discretion.

(g) Financing.

(i) On or before December 10, 2022 ("Financing Period"), Buyer obtaining (x) a written commitment from a lender to provide mortgage financing for Buyer's acquisition and development of the Property, (y) a written commitment for low income housing tax credits ("LIHTC") for Buyer's acquisition and development of the Property, (z) written commitments for additional subsidies for Buyer's acquisition and development of the Property, all upon terms and in amounts that are acceptable in Buyer's sole discretion.

(ii) Buyer intends to submit an application (the "Application") to the Wisconsin Housing and Economic Development Authority ("WHEDA") for 2022 9% LIHTC by the deadline established by WHEDA which is anticipated to be in December 2021 (the "2022 Application Date"). If Buyer does not submit such Application by the 2022 Application Date this Offer shall automatically terminate, the Earnest Money together with all interest thereon, if any, shall be immediately returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer).

(iii) Buyer agrees to keep Seller updated as to the submittal of the Application and award (if applicable) of LIHTC. If Buyer submits an Application by the 2022 Application Date, but is not awarded LIHTC by WHEDA, Buyer shall have the opportunity to submit a second Application for 9% LIHTC by the deadline established by WHEDA for its 2023 credit round (the "2023 Application Date"), which is anticipated to be in December 2022. If Buyer submits such second Application prior to the 2023 Application Date, the Contingency Periods and Closing Date shall automatically be extended by twelve (12) calendar months.

The Survey Period, Document Approval Period, Approvals Period, Environmental Period, Title Review Period, Due Diligence Period and Financing Period are collectively referred to herein as the "Contingency Periods".

3. Contingency Period. If Buyer does not notify Seller within the applicable Contingency Periods (as may be extended) set forth above that the Contingencies set forth above have been satisfied or waived by Buyer, this Offer shall automatically terminate, and all Earnest Money shall be returned to Buyer (except as set forth in Section 8(a) or as otherwise expressly set forth herein), and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). Buyer and Seller agree that Buyer shall not be required to attempt to satisfy all the Contingencies or to do so simultaneously, but may instead attempt satisfaction of the Contingencies in any sequential order established by Buyer. If at any point Buyer in good faith concludes it will not be able to complete the transaction, it will promptly give Seller written notice thereof and terminate this Offer.

4. Title Insurance.

(a) Seller shall, within twenty (20) days of the Effective Date, obtain and deliver to Buyer a title insurance commitment ("Commitment") from First American Title Insurance Company, 833 East Michigan Street, Suite 550, Milwaukee, Wisconsin 53202 (the "Title Company") to issue an owner's policy of title insurance in the amount of the Purchase Price, naming Buyer as the insured. Such Commitment shall show fee simple title to the Property in Seller and shall be accompanied by copies of all exceptions noted in the Commitment or of record. Seller shall require the Commitment to obligate the Title Company to issue a policy that will guarantee Buyer's title to be in the condition required under this Section 4 and Section 7 below (without standard exceptions) as of the Closing Date (defined below) and shall require that the Commitment include a gap endorsement, zoning endorsement, contiguity endorsement, access endorsement and any other endorsements reasonably requested by Buyer; the cost of the title insurance premium, including the gap endorsement, shall be the responsibility of Seller, and the cost of all other endorsements, and the costs related to any lender's policy, shall be the responsibility of Buyer.

(b) If the Commitment or Survey discloses matters or exceptions that are not acceptable to Buyer, in Buyer's sole discretion, Buyer shall deliver written notice of such objections to Seller prior to the expiration of the Title Review Period (the "Objection Notice"). Except as set forth herein, if Buyer fails to deliver the Objection Notice during the Title Review Period, then Buyer shall be deemed to have accepted all matters of record as of the effective date of the Commitment, and all such matters shall be deemed "Permitted Exceptions". Following receipt of the Objection Notice, Seller may remedy, or agree to remedy prior to Closing, Buyer's title objections to the satisfaction of Buyer and the Title Company by delivering a notice to that effect (the "Objection Response") within five (5) business days after Seller's receipt of the Objection Notice ("Seller's Title Response Period"). Notwithstanding anything to the contrary herein, Permitted Exceptions shall not include any Liens. Seller shall be required to cure or remove all Liens (by payment, bond deposit or indemnity acceptable to the Title Company and Buyer) at or before Closing.

(c) If Seller does not timely deliver an Objection Response indicating that it will cure or remedy all of the title objections set forth in the Objection Notice, then Buyer, at its election, shall have the right either to: (a) proceed to Closing, in which case Buyer shall accept title to the Property subject to the objections that Seller has not agreed to cure or remedy (and

such matters shall be deemed Permitted Exceptions, except for any Liens), with the right to deduct Liens from the Purchase Price paid at Closing; or (b) terminate this Offer by delivery of written notice to Seller, in which event the Earnest Money shall be immediately returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). In addition, if Seller delivers an Objection Response but subsequently fails (despite the exercise of commercially reasonable good faith efforts) to cure or remedy all of the title objections that it had obligated itself to do so in the Objection Response, then Buyer, at its election, shall have the right either to: (a) proceed to Closing, in which case Buyer shall accept title to the Property subject to the objections that Seller has failed to cure or remedy (and such matters shall be deemed Permitted Exceptions, except for any Liens) with the right to deduct Liens from the Purchase Price paid at Closing; or (b) treat such failure by Seller as a default under this Offer.

(d) At any time prior to the Closing, Buyer shall have the right to object to any title matter appearing for the first time on a title commitment that is updated subsequent to the Commitment (the "Updated Title Commitment"). All such Updated Title Commitment objections shall be handled in the same manner as the objections described above, and, if reasonably required by Seller in order to effect a cure of any title objection that Seller is required or agrees to cure hereunder, the Closing Date shall be extended accordingly for a period not to exceed five (5) days beyond the Closing Date, to enable Seller to cure such title objection.

5. Document Production. Seller shall, within twenty (20) days of the Effective Date, provide Buyer with copies of and/or full access to all documents, including but not limited to, all leases, agreements, reports, plans, specifications, surveys, environmental information, title documentation, notices and correspondence pertaining to the Property (collectively, the "Due Diligence Documents"). For every day that Seller is late delivering any documentation required pursuant to this Section 5, an additional day shall be added to all of the Contingency Periods set forth in Section 2 of this Offer.

6. Access and Cooperation. Buyer and its employees, officers, agents, engineers, surveyors, appraisers, lenders, attorneys, consultants, contractors and other representatives, at any time after the Effective Date, shall have the right to enter the Property to conduct inspections, studies and investigations of the Property, including the right to take and remove reasonable test samples and to undertake all Contingencies set forth in Section 2, upon at least one days' prior notice to Seller. Seller shall cooperate with Buyer in Buyer's exercise of its rights hereunder. Buyer shall indemnify, defend and hold Seller harmless from any and all claims, losses, damages (excluding punitive, speculative or consequential damages), costs (including reasonable and actual attorneys' and other professionals' fees, expenses, and disbursements) and liabilities which may arise due to actions taken by Buyer and its employees, agents and contractors on the Property prior to the Closing, including surveys, tests, investigations and the like; provided, however, that Buyer will not be responsible for indemnifying Seller from claims, losses, damages, costs or liabilities arising from the mere discovery of any pre-existing adverse condition on the Property (environmental or otherwise). Additionally, Seller shall cooperate with Buyer in applying for and obtaining any licenses, permits or approvals that are necessary or desirable for Buyer's redevelopment of the Property, including signing applications for such approvals and permits as may be necessary and consistent with appropriate codes and

ordinances; provided, however, Seller shall not be required to incur any out-of-pocket costs as a result of such cooperation.

7. Condition of Title. At Closing, Seller shall convey fee simple title to the Property to Buyer by good and sufficient warranty deed, free and clear of all liens and encumbrances except the Permitted Exceptions and general real estate taxes levied in the year of Closing (the "Deed").

8. Default.

(a) If Buyer is in default under this Offer and such default is not cured within five (5) days following written notice thereof from Seller, then Seller may, as its sole and exclusive remedy, terminate this Offer and retain the Earnest Money as liquidated damages. Upon any such termination, neither party shall have any further rights or obligations regarding this Offer other than those that expressly survive such termination. Seller has agreed to this liquidated damage provision because of the difficulty of ascertaining Seller's actual damages given the uncertainties of the real estate market, the fact that Seller retains ownership of the Property, fluctuating property values, and differences of opinion with respect to such matters. Seller waives the right to assert the defense of lack of mutuality in any action for specific performance instituted by Buyer.

(b) If Seller defaults in the performance of any of its obligations under this Offer and fails to cure such default within five (5) days following written notice thereof from Buyer, Buyer may (i) terminate this Offer, in which event the Earnest Money shall be returned immediately to Buyer, and Seller shall reimburse Buyer for all costs incurred by Buyer in connection with the negotiation of this Offer and all due diligence performed with respect to the Property, including interest thereon, or (ii) Buyer may seek any remedies available at law or in equity, including the remedy of specific performance (and, in such event, Seller agrees to indemnify Buyer for all of Buyer's costs and expenses, including without limitation reasonable attorneys' fees and court costs, incurred in such action). If Buyer seeks, but is not awarded, the remedy of specific performance, Buyer may then proceed under subsection (i) herein.

(c) The foregoing limitations of remedies and liquidated damages provisions shall not apply to a breach of any of the representations and warranties of Seller set forth in this Offer, the indemnity obligations of either party under the provisions of this Offer, or defaults by either party under the closing documents.

The provisions of this Section shall survive the termination of this Offer.

9. Binding Contract. The parties hereto acknowledge that Buyer will expend material sums of money in reliance on Seller's obligations under this Offer, in connection with negotiating and executing the Offer, conducting the inspections contemplated by this Offer, and preparing for Closing, and that Buyer would not have entered into this Offer without the availability of the Contingency Periods. In consideration of the foregoing, and the provision of a One Hundred Dollars (\$100.00) nonrefundable deposit (the "Independent Consideration"), the parties agree that adequate consideration exists so that Buyer's rights to terminate this Offer do not render this Offer illusory. Seller and Buyer each waive any and all rights to challenge the

enforceability of this Offer on the basis that any of the conditions or contingencies set forth herein are at Seller's or Buyer's sole discretion or that any of the agreements contained herein are illusory. If either party challenges the enforceability of this Offer in a manner that is inconsistent with the foregoing waiver, such party shall pay the other party's costs and expenses (including reasonable attorneys' fees) in enforcing this Offer. The Independent Consideration is in addition to and independent of any other consideration or payment provided for in this Offer and shall be retained by Seller notwithstanding: (a) the exercise of Buyer's rights to terminate the Offer, and/or (b) any other provision of this Offer. The Independent Consideration shall be applied to the Purchase Price if this transaction closes.

10. Closing. This transaction is to be closed (the "Closing") at the Title Company, or at such other location agreed to by Seller and Buyer, on or before December 31, 2022, or at such other time as may be agreed to by Buyer and Seller ("Closing Date"). Seller shall provide Buyer with copies of all closing documents not less than ten (10) days prior to the Closing Date. Seller shall deliver possession of the Property to Buyer on the Closing Date.

(a) At Closing, Seller shall deliver all of the following to Buyer or the Title Company, all of which shall be fully executed by Seller, where required:

- (i) The Deed;
- (ii) Customary seller's affidavit, ALTA statement, gap indemnity and such other affidavits of Seller or other documents as may be reasonably required by the Title Company in order to record the Deed and issue the Title Insurance Policy (defined below);
- (iii) Any required real estate transfer declarations and stamps;
- (iv) An "Assignment of Intangible Property" assigning Seller's right, title and interest, if any, in the licenses, permits, plans, specifications and other intangible property relating to the Property;
- (v) Satisfactory evidence of Seller's authority (including, without limitation, evidence of the authority of all persons executing any documents on behalf of Seller) to enter into this Offer, sell the Property to Buyer and perform Seller's other obligations under this Offer;
- (vi) A signed pro forma or signed mark-up of the Commitment (the "Title Insurance Policy") issued by the Title Company in the amount of the Purchase Price pursuant to the Commitment and subject only to Permitted Exceptions, and including such endorsements as requested by Buyer;
- (vii) A closing statement setting for the Purchase Price and the adjustments and prorations set forth herein (the "Closing Statement");

- (viii) Pay-off letters with respect to all mortgages of record;
- (ix) A statement certifying that all of the representations and warranties of Seller contained herein are true and correct as of the Closing Date;
- (x) The Post-Closing Escrow Agreement; and
- (xi) Such other documents as may be reasonably required by Buyer or the Title Company.

(b) At Closing, Buyer shall deliver all of the following to Seller or The Title Company, all of which shall be fully-executed by Buyer, where required:

- (i) The balance of the Purchase Price and Escrowed Funds, plus or minus prorations, credits and other adjustments, by wire transfer or otherwise in immediately available funds;
- (ii) A counterpart to the Closing Statement;
- (iii) A counterpart to the Assignment of Intangible Property; and
- (iv) Such other documents as may be reasonably required by the Title Company in order to record the Deed and issue the Title Insurance Policy.

11. Pro-rations/Credits. The following items shall be calculated by Buyer and Seller and prorated or credited at Closing as follows:

(a) Net general real estate taxes for the year of Closing shall be prorated as of the Closing Date, inclusive of said date, on the basis of the net general real estate taxes for the year of Closing, if known, otherwise on the net general real estate taxes for the preceding year. Seller shall pay prior to the Closing Date all general real estate taxes attributable to any time period prior to the year of Closing. General and special assessments for any work on or relating to the Property commenced, assessed, accrued or levied prior to the Closing Date shall be paid by Seller at or prior to Closing.

(b) All other expenses for utilities and other operating items related to the Property shall be prorated as of the Closing Date.

(c) At the Closing, Seller shall pay for the Commitment, the cost of the title insurance premium (for coverage in the amount of the Purchase Price) and the gap endorsement, special assessment letters (if any), and transfer taxes for the transaction. Buyer shall pay for the cost to record the Deed, the cost of all other endorsements (other than the gap endorsement) and the costs related to any lender's policy. Buyer shall pay the cost of the Title Company's closing fee.

12. Operation/Closing Conditions.

(a) From the Effective Date through the Closing Date, Seller shall: (i) maintain the Property in a manner consistent with the condition of the Property at the time of the Effective Date and shall pay all bills and discharge all obligations arising by reason of Seller's ownership, operation and management of the Property, as they become due; (ii) not, without obtaining the prior written consent of Buyer, enter into any leases, easements or other agreements with respect to the Property which will extend in force beyond the Closing and purport to bind Buyer or the Property or will not be fully performed by Seller prior to the Closing; (iii) advise Buyer promptly of any litigation, arbitration or administrative hearing before any court or governmental agency concerning or affecting the Property or this Offer; (iv) upon receipt of notice thereof, notify Buyer promptly of any violation or potential violation of any applicable law, enactment, statute, code, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, agreement, or other direction or requirement of any federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them now existing or hereafter enacted, adopted, promulgated, entered, or issued applicable to the Seller or the Property ("Government Requirement"); and (v) not take, or omit to take, any action that would have the effect of violating any of the representations, warranties, covenants and agreements of Seller contained in this Offer. Buyer shall have the right to terminate this Offer and receive a return of the Earnest Money upon receipt of any notice of a violation of a Governmental Requirement, whether from Seller or otherwise. The provisions of this Section shall survive Closing.

(b) This Offer and Buyer's obligation to close are subject to the following additional express conditions precedent. Buyer shall have the right to terminate this Offer and receive a return of the Earnest Money if the following conditions precedent are not satisfied prior to Closing. Notwithstanding anything to the contrary which may be contained herein, each of the following conditions is intended for the exclusive protection and benefit of Buyer (and may be waived by Buyer):

(i) The continued validity of each and all of the representations, warranties and covenants of Seller contained in this Offer in all material respects, as of the Closing Date;

(ii) Seller shall have performed, observed and complied with all of the covenants, agreements and conditions required by this Offer to be performed, observed and complied with by Seller prior to or as of the Closing; and

(iii) No proceeding by any governmental body or other person shall have been instituted or threatened which seeks to enjoin, restrain or prohibit, or which questions the validity or legality of the transaction contemplated hereby or which otherwise seeks to affect or could affect the transactions contemplated hereby.

13. Warranties and Representations.

(a) Seller hereby represents and warrants to Buyer the following (subject to Seller's actual knowledge, where indicated below ("Seller's Knowledge")):

Authority/Litigation. Seller has full power and authority to execute this Offer and convey the Property to Buyer. The execution, delivery and performance by Seller of this Offer will not constitute or cause a default or breach of any agreement on the part of Seller. Seller has no knowledge of any claim, demand, damage, action or cause of action of any person, entity or governmental agency or instrumentality affecting the Property or Seller. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against Seller, and Seller has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature.

Compliance with Laws. The Property is not in violation of any Environmental Laws, as defined below.

Underground Tanks. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there are no underground storage tanks or wells presently located on the Property nor have there ever been any located on the Property.

Environmental. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there are no Hazardous Substances (defined below) on, under or at the Property including, without limitation, in the groundwater. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge no Hazardous Substances have been treated, recycled or disposed of (intentionally or unintentionally) on, under or at the Property. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there have been no activities on the Property which would subject Buyer or any subsequent owner of the Property to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or common law theory of liability. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge, no property adjacent to the Property has ever been used for the treatment, recycling or disposal (intentional or unintentional) of Hazardous Substances nor has there been a release or threatened release of any Hazardous Substances from such adjacent property. The term "Environmental Laws" shall mean all federal, state and local laws including statutes, regulations and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process wastewater or the disposal of solid or hazardous waste or otherwise relating to the environment or hazardous substances or employee health and safety including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Occupational Safety and Health Act of 1970 (all as the same may have been amended), regulations of the Environmental Protection Agency, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect. The term "Hazardous Substances" shall mean all hazardous and toxic substances, wastes and materials; any pollutants or contaminants (including, without limitation, petroleum

products, asbestos and raw materials which include hazardous constituents); and any other similar substances or materials which are regulated under Environmental Laws.

Other Government Actions. Seller has no notice or knowledge of any violation of any law or zoning or environmental regulation and no notice from any governmental body or other person has been served upon Seller or upon the Property claiming violation of any such law or regulation with regard to the Property.

Documents. All documentation delivered by Seller pursuant to this Offer is true, correct and complete in all material respects. To Seller's Knowledge, the Due Diligence Documents provided by Seller have not been amended or altered, are true, accurate and complete, and are all Diligence Documents in Seller's possession or control.

Special Assessments and Deferred Charges. Seller has no notice or knowledge of any existing special assessments, deferred water or sewer charges or special charges pertaining to the Property, nor any planned, contemplated or commenced public improvements which may result in special assessments or special charges pertaining to the Property.

Leases. There are no leases, landlord/tenant relationships or written or oral agreements regarding the use of the Property by a third person or party or otherwise affecting the Property.

Foreign Person. Seller is not a "foreign person", "foreign corporation", "foreign trust" or "foreign estate", as those terms are defined in The Internal Revenue Code of 1986, as amended ("Code") Section 1445.

Property. There are no pending requests, applications, or proceedings to alter or restrict the zoning or other use restrictions applicable to the Property. Seller is not aware of and has received no notice of any eminent domain condemnation, environmental, zoning or other land use regulation proceedings which affects or will affect the Property.

OFAC. Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons list), or under any statute, executive order (including the September 24, 2002, Executive Order ("Executive Order") blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and will not engage in any dealing or transaction or be otherwise associated with such persons or entities. This Offer may be terminated by Buyer if Seller is determined to be a blocked person within the meaning of the Executive Order and the Earnest Money shall be returned to Buyer.

(b) Buyer hereby represents and warrants to Seller the following:

Authority. Neither the execution of this Offer by Buyer nor the performance of its obligations hereunder, will violate its organizational documents or constitute a breach or violation of any agreement, law, regulation or order applicable to Buyer. Buyer is in good standing in the state of its organization.

OFAC. Buyer is not, and will not become, a person or entity with whom United States persons or entities are restricted from doing business under regulations of OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons list), or under any statute, executive order (including the Executive Order blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and will not engage in any dealing or transaction or be otherwise associated with such persons or entities. This Offer may be terminated by Seller if Buyer is determined to be a blocked person within the meaning of the Executive Order and the Earnest Money shall be immediately disbursed to Seller.

(c) Each party (in such context an "Indemnitor") shall indemnify, defend and hold the other and such other's officers, members, managers, directors, employees, agents, successors, assigns and grantees (in such context, collectively the "Indemnitees") harmless from and against all liability, loss, costs, damages, claims and expenses (including reasonable attorneys' fees) arising out of or in connection with the breach by the Indemnitor of any of its warranties, covenants and representations set forth herein, all of which shall survive the Closing for a period of twenty-four (24) months and be deemed to have been remade upon the Closing.

14. Indemnification. Except as specifically provided otherwise in this Offer, Seller shall indemnify and hold Buyer harmless from and against any and all loss, cost, damages, injury or expense arising out of or in any way related to claims for injury to or death of persons, damage to property or contract liabilities associated with the ownership or operation of the Property or the business conducted thereon, arising out of events or transactions occurring on or before the Closing Date or caused by Seller, its agents, contractors or employees, but not as to any liabilities caused by Buyer, its agents contractors or employees.

15. Notices. Any notice or election required or permitted to be given or served hereunder shall be in writing and be delivered either in person or sent by (i) United States certified or registered mail, postage prepaid, return receipt requested; (ii) courier service; or (iii) email. Any such notice, if mailed as provided herein, shall be deemed to have been mailed, rendered, given or served on the date mailed and shall be deemed to have been received on the expiration of two business days after mailing. Any such notice, if sent by overnight courier, shall be deemed to have been mailed, rendered, given or served on the date deposited with such courier and shall be deemed to have been received on the following business day. Any notice or communication personally delivered or delivered via email shall be deemed to have been given or served upon the party to whom delivered immediately upon delivery thereof.

All notices shall be in writing and shall be served on the parties at the following addresses:

If to Buyer: General Capital Acquisitions, LLC
Attn: Sig Strautmanis
6938 N. Santa Monica Blvd.
Fox Point, WI 53217
sig@generalcapitalgroup.com

with copy to: David Weiss
6938 N. Santa Monica Blvd.
Fox Point, WI 53217
Fax No. 414 228 3700
david@generalcapitalgroup.com

If to Seller: Redevelopment Authority of the City of Sheboygan
Attn: Charles Adams
City of Sheboygan City Hall
828 Center Avenue, Suite 205
Sheboygan, WI 53081
E-mail: _charles.adams@sheboyganwi.gov

with a copy to: Redevelopment Authority of the City of Sheboygan
Chad Pelishek
Executive Director
828 Center Avenue, Suite 208
Sheboygan, WI 53081
Email: chad.pelishek@sheboyganwi.gov

The above addresses and facsimile numbers and emails may be changed by notice to the other party; provided that no notice of a change shall be effective until actual receipt of such notice. Notice by any party may be given by such party or its counsel to the other party or such other party's counsel.

16. **Brokerage Commissions.** Seller represents and warrants that it has not dealt with any agent, broker or other person in connection with the transaction contemplated by this Offer. Buyer represents and warrants that it has not dealt with any agent, broker, finder or other person in connection with the transaction contemplated by this Offer. Each party hereby indemnifies and agrees to hold the other harmless against and from the claims and demands of anyone who claims a commission, fee, or similar payment by, through, or under the indemnifying party. The provisions of this Section shall survive Closing.

17. **As-Is.** Except for any representations or warranties expressly made in the Offer by Seller, Buyer acknowledges and agrees that the Property is being purchased on an "AS IS, WHERE IS, WITH ALL FAULTS" basis with respect to the physical condition of the Property and without any warranty or representation by Seller with respect thereto. Buyer acknowledges that Buyer will have full and adequate opportunity to inspect the Property prior to Closing and shall accept the Property in the manner above prescribed.

18. Miscellaneous.

(a) This Offer shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns. Buyer may assign this Offer without the prior written consent of Seller upon written notice to Seller.

(b) The laws of the state of Wisconsin shall govern the validity, construction, enforcement and interpretation of this Offer.

(c) No provision of this Offer shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Offer; both parties having fully participated in the negotiation of this instrument, hereby agree that this Offer shall not be subject to the principle that a contract would be construed against the party which drafted the same.

(d) On the Closing Date, or thereafter if necessary, each party shall, without cost or expense to the other party, obtain and deliver to or cause to be executed and delivered to the other party, such further instruments of transfer and conveyance as may reasonably be requested, and take such other action as a party may reasonably request to carry out more effectively the transactions contemplated herein.

(e) In the event any portion of the Property is condemned or taken by eminent domain or conveyed by deed in lieu thereof, or if any condemnation proceeding is commenced against all or any portion of the Property prior to Closing (collectively, a "Condemnation"), Seller shall give written notice of such Condemnation to Buyer promptly after Seller receives notice of such Condemnation, and Buyer may elect to terminate this Offer by written notice thereof to the Seller within fifteen (15) business days after Buyer is notified of the Condemnation. Upon termination of this Offer, the Earnest Money shall be returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). If Buyer does not terminate this Offer as aforesaid, then both parties shall proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event (i) Buyer shall receive all condemnation proceeds with respect to such Condemnation, (ii) Seller shall deliver to Buyer at the Closing any proceeds received by Seller from such Condemnation and assign to Buyer its interest in and to any such proceeds which Seller has not yet received, and (iii) there shall be no reduction in the Purchase Price.

(f) In the event that the Property or any portion thereof shall be damaged or destroyed by fire or other casualty prior to Closing ("Casualty"), Seller shall give written notice of such Casualty to Buyer promptly after Seller receives notice of such Casualty, and Buyer may terminate this Offer by written notice thereof to the Seller within fifteen (15) business days after Buyer is notified of the Casualty. Upon termination of this Offer, the Earnest Money shall be returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). If Buyer does not terminate this Offer as aforesaid, then both parties shall proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event: (i) Buyer shall have the right to receive insurance proceeds

with respect to such Casualty, or (ii) Seller shall deliver to Buyer at the Closing any insurance proceeds received by Seller attributable to the Buyer from such Casualty (except for proceeds previously used to repair the Property to the extent that immediate repairs are reasonably necessary) and assign to Buyer all of Seller's right, title and interest in and to any claims which Seller may have under the insurance policies covering the Property, (iii) Buyer shall receive a credit against the Purchase Price at Closing for any applicable insurance deductible under the insurance policy or policies.

(g) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Offer, the non-prevailing party shall reimburse the prevailing party for its actual reasonable attorneys' fees, and actual reasonable legal costs and expenses.

(h) This Offer may be signed in counterparts, each of which upon execution and delivery as prescribed, shall be deemed an original for all purposes. Photocopies, facsimile transmissions or other such reproductions of this Offer, including such reproductions of the signatures of the parties hereto, shall be deemed to be the equivalent of originals.

(i) This Offer shall be null and void unless a copy signed and accepted by Seller is returned to Buyer, at the address set forth below for notices, on or before December 3, 2021.

(j) Seller shall not market, solicit, negotiate or otherwise engage with other potential buyer(s) while this Offer is effective.

(k) Seller and Buyer shall not disclose the terms and conditions contained in this Offer and shall keep the same confidential, provided that Seller and Buyer may disclose the terms and conditions of this Offer (i) as required by law, (ii) to consummate the terms of this Offer, or any financing relating thereto, (iii) to Buyer's or Seller's lenders, attorneys, consultants, investors and accountants, or (iv) to Buyer's prospective purchasers, partners or equity holders.

(l) If the date for Closing or performance of an obligation falls on a Saturday, Sunday or federal holiday, the date shall be deferred until the next business day.

(m) Except as otherwise provided herein, no delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Offer shall be established by conduct, custom, or course of dealing.


(n) This Offer contains the entire agreement of the parties with respect to the sale and purchase of the Property. All previous and contemporaneous negotiations, understandings and agreements between the parties hereto, with respect to the transaction set forth herein, are merged in this instrument, which alone fully and completely expresses the parties' rights and obligations. No amendments, modifications or changes shall be binding upon a party unless set forth in a duly executed document.

[Signatures on the following page]

IN WITNESS WHEREOF, the Buyer has caused this Offer to be executed this 1st day of December, 2021.

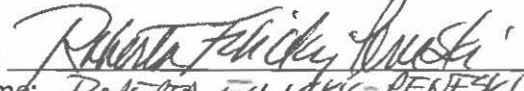
BUYER:

General Capital Acquisitions, LLC


By: 
Name: Sig Strautmanis
Its Authorized Signatory

SELLER:

Redevelopment Authority of the City of Sheboygan

By: 
Name: ROBERTA FILICKY-PENESKI
Its CHAIRPERSON, RDA

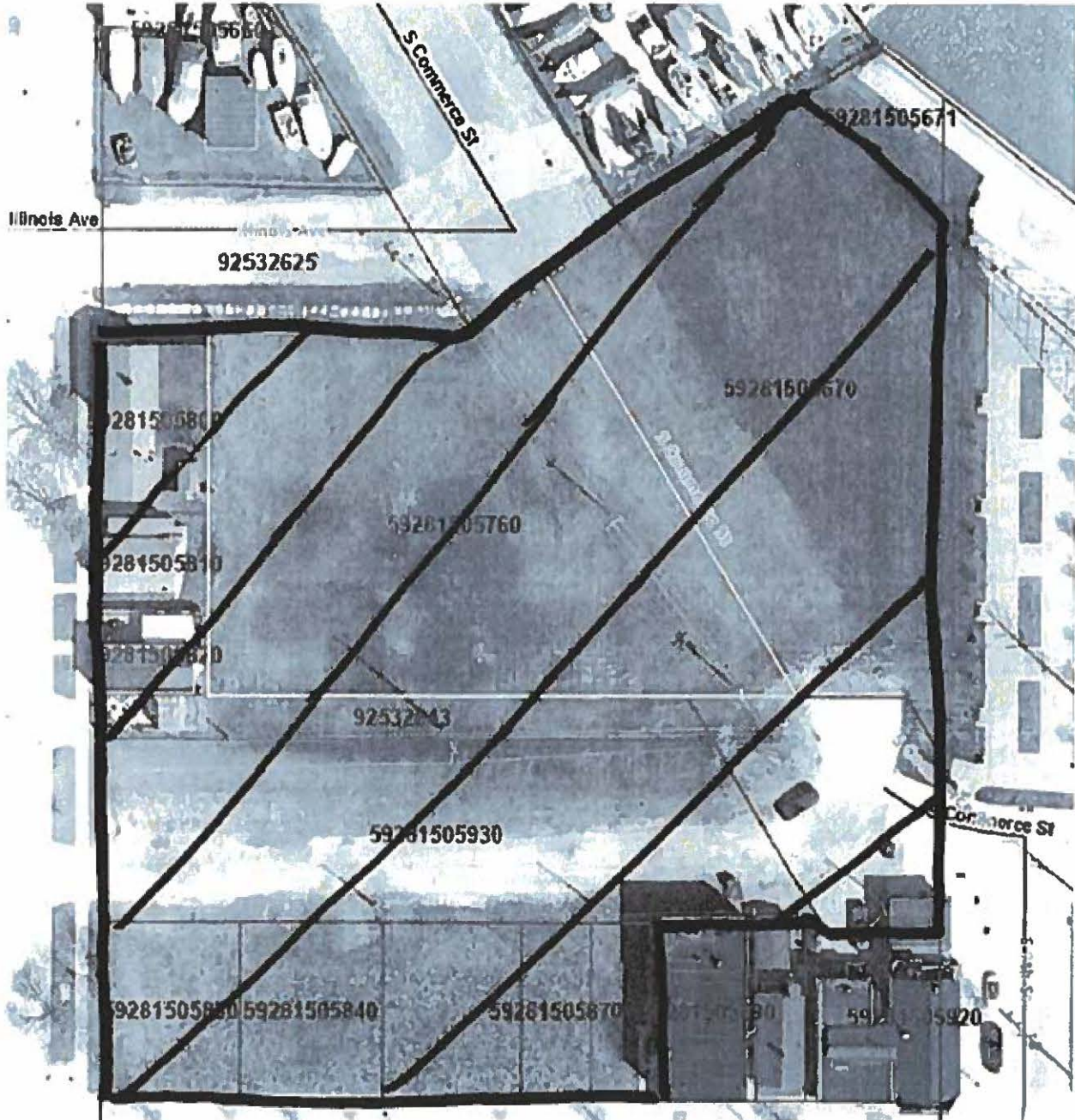
Accepted this 1st day of December, 2021.

By: 
Name: Chad Pelishek
Its Executive Director, RDA

Accepted this 1st day of December, 2021.

Exhibit A

Depiction of Property



OFFER TO PURCHASE

THIS OFFER TO PURCHASE ("Offer") is made and entered into as of this ____ day of _____, 2021 ("Effective Date"), by and between General Capital Acquisitions, LLC, a Wisconsin limited liability company and/or its assignee ("Buyer") and the Redevelopment Authority of the City of Sheboygan ("Seller").

RECITALS

A. Seller currently holds title to that certain real property designated as Parcel Nos. 59281505760, 59281505670, 5921505800, 59281505810, 59281505820, 59281505830, 59281505840, 59281505860, 59281505870, 59281505880, 59281505930, and 92532643 and that portion of Parcel No. 92532619 adjacent to South 9th Street and south of Parcel Nos. 59281505760 and 59281505670, located in Sheboygan, Wisconsin and depicted in Exhibit A attached hereto (the "Property"). The term "Property" shall further include, without limitation, all of the following: all land identified herein (whether by address, tax parcel, property name or other description) as all or part of the Property; all buildings, parking, fixtures, improvements and easements located on or appurtenant to such land (but excluding any and all furnishings or other personal property belonging to Seller); and, all licenses, permits, plans, specifications and all other rights, title and interest appurtenant and otherwise relating to any and all such property.

B. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and promises of the parties, Seller and Buyer hereby agree as follows:

AGREEMENT

1. Purchase Price.

(a) The purchase price ("Purchase Price") for the Property shall be Three Hundred Thousand Dollars (\$300,000) minus the cost (not to exceed \$150,000) of any Remedial and Site Work. The term "Remedial and Site Work" shall mean any work performed by Buyer or its contractors to (i) remediate, address or remove Hazardous Substances (defined below) located on the Property, or to address any environmental condition affecting the Property, or (ii) to install or relocate utilities and/or other infrastructure or to perform other site preparation work in order to develop the Property for Buyer's Intended Use (defined below). \$300,000 shall be deposited by Buyer with Title Company (defined below) at Closing (defined below), subject to pro-rations, deferrals and credits as provided in this Offer, by delivery of a certified or cashier's check or by wire transfer. \$150,000 of such deposit (the "Escrowed Funds") shall be deposited in an escrow account with Title Company at Closing to reimburse the Buyer (pursuant to an escrow agreement to be entered into between Buyer, Seller and Title Company (the "Post-Closing Escrow Agreement")) for the cost of any Remedial and Site Work performed by Buyer after Closing. The remaining \$150,000, subject to pro-rations, deferrals and credits as provided in this Offer, shall be disbursed by Title Company to Seller at Closing. If the amount of the Escrowed Funds exceeds the cost of the Remedial and Site Work, any excess shall be disbursed to Seller upon completion of the Remedial and Site Work.

(b) Within two (2) business days from the Effective Date, Buyer shall deposit with the Title Company, in a joint order escrow pursuant to the Title Company's usual and customary escrow instructions, the sum of Ten Thousand and No/100 Dollars (\$10,000.00) ("Earnest Money"). The Earnest Money may be invested by Title Company (at Buyer's option) in an interest-bearing account with all interest accruing thereon paid to Buyer and applied toward the Purchase Price at Closing. Buyer shall pay all fees and costs related to the Earnest Money joint order escrow account. Except as otherwise set forth herein, the Earnest Money shall become non-refundable, but remain applicable to the Purchase Price, after the expiration of all Contingency Periods (as defined below).

2. Contingencies. Buyer's obligations to conclude this transaction are contingent upon the following (each a "Contingency" and collectively, the "Contingencies"):

(a) Survey. On or before December 10, 2022 ("Survey Period"), Buyer obtaining, at its expense, an up to date ALTA survey of the Property in form and substance satisfactory to Buyer, prepared by a registered land surveyor and certified to Buyer and such others as Buyer may reasonably request, which survey shall show all exceptions noted on the Commitment (defined below) called for in Section 4 below and which shall be sufficient to delete all standard survey exceptions from the Commitment ("Survey").

(b) Documentation Approval. On or before December 10, 2022 ("Document Approval Period"), Buyer reviewing and approving, in its sole discretion, copies of any and all documentation provided pursuant to Section 5 below.

(c) Required Approvals. On or before December 10, 2022 ("Approvals Period"), Buyer obtaining, at its expense, approvals from any federal, state or municipal governmental department or agency as is necessary or desirable for the contemplated transaction to occur and to allow Buyer to use the Property as contemplated herein (collectively, "Approvals"), and reviewing and verifying, in its sole discretion, that the Property is fully compliant with all relevant governmental rules, regulations and restrictions governing Buyer's proposed use of the Property as multifamily housing ("Buyer's Intended Use"). Seller shall reasonably cooperate with Buyer in connection with the procurement of the Approvals; provided, however, Seller shall not be required to incur any out-of-pocket costs in connection therewith.

(d) Environmental. On or before December 10, 2022 ("Environmental Period"), Buyer obtaining written environmental assessments and/or evaluations of the Property (including Phase I and Phase II studies) from an environmental consultant of Buyer's choice acceptable to Buyer in Buyer's sole discretion.

(e) Title Review & Insurance. On or before December 10, 2022 ("Title Review Period"), Buyer reviewing and approving, in its sole discretion, any and all easements, restrictive covenants, restrictions, land use regulations or other encumbrances affecting the Property. Also, Buyer determining that the Survey and Commitment called for in this Section 2 and Section 4 below are acceptable in Buyer's sole discretion. For purposes of this Offer, the term "Permitted Exceptions" shall mean only those title and survey exceptions reflected on the Commitment and the Survey either: (i) to which Buyer does not object in writing prior to the expiration of the time period set forth herein; or (ii) which Buyer accepts pursuant to Section 4(c)

below, but in any case expressly excluding all liens and similar type encumbrances of a definite or ascertainable amount, including but not limited to mortgages, tax liens, mechanics' liens and judgment liens (collectively, "Liens").

(f) Additional Inspection. On or before December 10, 2022 ("Due Diligence Period"), Buyer performing, at its expense, such inspections and other investigations and testing deemed appropriate by Buyer, including but not limited to appraisals, wetland and floodplain surveys, soil, pests and any investigations required to develop both architectural and engineering plans, and investigations into regulatory, title, lease, tenant, operations, insurance premiums and other matters deemed relevant by Buyer, which collectively indicate to the sole satisfaction of Buyer that the Property is acceptable to Buyer in Buyer's sole discretion.

(g) Financing.

(i) On or before December 10, 2022 ("Financing Period"), Buyer obtaining (x) a written commitment from a lender to provide mortgage financing for Buyer's acquisition and development of the Property, (y) a written commitment for low income housing tax credits ("LIHTC") for Buyer's acquisition and development of the Property, (z) written commitments for additional subsidies for Buyer's acquisition and development of the Property, all upon terms and in amounts that are acceptable in Buyer's sole discretion.

(ii) Buyer intends to submit an application (the "Application") to the Wisconsin Housing and Economic Development Authority ("WHEDA") for 2022 9% LIHTC by the deadline established by WHEDA which is anticipated to be in December 2021 (the "2022 Application Date"). If Buyer does not submit such Application by the 2022 Application Date this Offer shall automatically terminate, the Earnest Money together with all interest thereon, if any, shall be immediately returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer).

(iii) Buyer agrees to keep Seller updated as to the submittal of the Application and award (if applicable) of LIHTC. If Buyer submits an Application by the 2022 Application Date, but is not awarded LIHTC by WHEDA, Buyer shall have the opportunity to submit a second Application for 9% LIHTC by the deadline established by WHEDA for its 2023 credit round (the "2023 Application Date"), which is anticipated to be in December 2022. If Buyer submits such second Application prior to the 2023 Application Date, the Contingency Periods and Closing Date shall automatically be extended by twelve (12) calendar months.

The Survey Period, Document Approval Period, Approvals Period, Environmental Period, Title Review Period, Due Diligence Period and Financing Period are collectively referred to herein as the "Contingency Periods".

3. Contingency Period. If Buyer does not notify Seller within the applicable Contingency Periods (as may be extended) set forth above that the Contingencies set forth above have been satisfied or waived by Buyer, this Offer shall automatically terminate, and all Earnest Money shall be returned to Buyer (except as set forth in Section 8(a) or as otherwise expressly set forth herein), and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). Buyer and Seller agree that Buyer shall not be required to attempt to satisfy all the Contingencies or to do so simultaneously, but may instead attempt satisfaction of the Contingencies in any sequential order established by Buyer. If at any point Buyer in good faith concludes it will not be able to complete the transaction, it will promptly give Seller written notice thereof and terminate this Offer.

4. Title Insurance.

(a) Seller shall, within twenty (20) days of the Effective Date, obtain and deliver to Buyer a title insurance commitment ("Commitment") from First American Title Insurance Company, 833 East Michigan Street, Suite 550, Milwaukee, Wisconsin 53202 (the "Title Company") to issue an owner's policy of title insurance in the amount of the Purchase Price, naming Buyer as the insured. Such Commitment shall show fee simple title to the Property in Seller and shall be accompanied by copies of all exceptions noted in the Commitment or of record. Seller shall require the Commitment to obligate the Title Company to issue a policy that will guarantee Buyer's title to be in the condition required under this Section 4 and Section 7 below (without standard exceptions) as of the Closing Date (defined below) and shall require that the Commitment include a gap endorsement, zoning endorsement, contiguity endorsement, access endorsement and any other endorsements reasonably requested by Buyer; the cost of the title insurance premium, including the gap endorsement, shall be the responsibility of Seller, and the cost of all other endorsements, and the costs related to any lender's policy, shall be the responsibility of Buyer.

(b) If the Commitment or Survey discloses matters or exceptions that are not acceptable to Buyer, in Buyer's sole discretion, Buyer shall deliver written notice of such objections to Seller prior to the expiration of the Title Review Period (the "Objection Notice"). Except as set forth herein, if Buyer fails to deliver the Objection Notice during the Title Review Period, then Buyer shall be deemed to have accepted all matters of record as of the effective date of the Commitment, and all such matters shall be deemed "Permitted Exceptions". Following receipt of the Objection Notice, Seller may remedy, or agree to remedy prior to Closing, Buyer's title objections to the satisfaction of Buyer and the Title Company by delivering a notice to that effect (the "Objection Response") within five (5) business days after Seller's receipt of the Objection Notice ("Seller's Title Response Period"). Notwithstanding anything to the contrary herein, Permitted Exceptions shall not include any Liens. Seller shall be required to cure or remove all Liens (by payment, bond deposit or indemnity acceptable to the Title Company and Buyer) at or before Closing.

(c) If Seller does not timely deliver an Objection Response indicating that it will cure or remedy all of the title objections set forth in the Objection Notice, then Buyer, at its election, shall have the right either to: (a) proceed to Closing, in which case Buyer shall accept title to the Property subject to the objections that Seller has not agreed to cure or remedy (and

such matters shall be deemed Permitted Exceptions, except for any Liens), with the right to deduct Liens from the Purchase Price paid at Closing; or (b) terminate this Offer by delivery of written notice to Seller, in which event the Earnest Money shall be immediately returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). In addition, if Seller delivers an Objection Response but subsequently fails (despite the exercise of commercially reasonable good faith efforts) to cure or remedy all of the title objections that it had obligated itself to do so in the Objection Response, then Buyer, at its election, shall have the right either to: (a) proceed to Closing, in which case Buyer shall accept title to the Property subject to the objections that Seller has failed to cure or remedy (and such matters shall be deemed Permitted Exceptions, except for any Liens) with the right to deduct Liens from the Purchase Price paid at Closing; or (b) treat such failure by Seller as a default under this Offer.

(d) At any time prior to the Closing, Buyer shall have the right to object to any title matter appearing for the first time on a title commitment that is updated subsequent to the Commitment (the "Updated Title Commitment"). All such Updated Title Commitment objections shall be handled in the same manner as the objections described above, and, if reasonably required by Seller in order to effect a cure of any title objection that Seller is required or agrees to cure hereunder, the Closing Date shall be extended accordingly for a period not to exceed five (5) days beyond the Closing Date, to enable Seller to cure such title objection.

5. Document Production. Seller shall, within twenty (20) days of the Effective Date, provide Buyer with copies of and/or full access to all documents, including but not limited to, all leases, agreements, reports, plans, specifications, surveys, environmental information, title documentation, notices and correspondence pertaining to the Property (collectively, the "Due Diligence Documents"). For every day that Seller is late delivering any documentation required pursuant to this Section 5, an additional day shall be added to all of the Contingency Periods set forth in Section 2 of this Offer.

6. Access and Cooperation. Buyer and its employees, officers, agents, engineers, surveyors, appraisers, lenders, attorneys, consultants, contractors and other representatives, at any time after the Effective Date, shall have the right to enter the Property to conduct inspections, studies and investigations of the Property, including the right to take and remove reasonable test samples and to undertake all Contingencies set forth in Section 2, upon at least one days' prior notice to Seller. Seller shall cooperate with Buyer in Buyer's exercise of its rights hereunder. Buyer shall indemnify, defend and hold Seller harmless from any and all claims, losses, damages (excluding punitive, speculative or consequential damages), costs (including reasonable and actual attorneys' and other professionals' fees, expenses, and disbursements) and liabilities which may arise due to actions taken by Buyer and its employees, agents and contractors on the Property prior to the Closing, including surveys, tests, investigations and the like; provided, however, that Buyer will not be responsible for indemnifying Seller from claims, losses, damages, costs or liabilities arising from the mere discovery of any pre-existing adverse condition on the Property (environmental or otherwise). Additionally, Seller shall cooperate with Buyer in applying for and obtaining any licenses, permits or approvals that are necessary or desirable for Buyer's redevelopment of the Property, including signing applications for such approvals and permits as may be necessary and consistent with appropriate codes and

ordinances; provided, however, Seller shall not be required to incur any out-of-pocket costs as a result of such cooperation.

7. Condition of Title. At Closing, Seller shall convey fee simple title to the Property to Buyer by good and sufficient warranty deed, free and clear of all liens and encumbrances except the Permitted Exceptions and general real estate taxes levied in the year of Closing (the "Deed").

8. Default.

(a) If Buyer is in default under this Offer and such default is not cured within five (5) days following written notice thereof from Seller, then Seller may, as its sole and exclusive remedy, terminate this Offer and retain the Earnest Money as liquidated damages. Upon any such termination, neither party shall have any further rights or obligations regarding this Offer other than those that expressly survive such termination. Seller has agreed to this liquidated damage provision because of the difficulty of ascertaining Seller's actual damages given the uncertainties of the real estate market, the fact that Seller retains ownership of the Property, fluctuating property values, and differences of opinion with respect to such matters. Seller waives the right to assert the defense of lack of mutuality in any action for specific performance instituted by Buyer.

(b) If Seller defaults in the performance of any of its obligations under this Offer and fails to cure such default within five (5) days following written notice thereof from Buyer, Buyer may (i) terminate this Offer, in which event the Earnest Money shall be returned immediately to Buyer, and Seller shall reimburse Buyer for all costs incurred by Buyer in connection with the negotiation of this Offer and all due diligence performed with respect to the Property, including interest thereon, or (ii) Buyer may seek any remedies available at law or in equity, including the remedy of specific performance (and, in such event, Seller agrees to indemnify Buyer for all of Buyer's costs and expenses, including without limitation reasonable attorneys' fees and court costs, incurred in such action). If Buyer seeks, but is not awarded, the remedy of specific performance, Buyer may then proceed under subsection (i) herein.

(c) The foregoing limitations of remedies and liquidated damages provisions shall not apply to a breach of any of the representations and warranties of Seller set forth in this Offer, the indemnity obligations of either party under the provisions of this Offer, or defaults by either party under the closing documents.

The provisions of this Section shall survive the termination of this Offer.

9. Binding Contract. The parties hereto acknowledge that Buyer will expend material sums of money in reliance on Seller's obligations under this Offer, in connection with negotiating and executing the Offer, conducting the inspections contemplated by this Offer, and preparing for Closing, and that Buyer would not have entered into this Offer without the availability of the Contingency Periods. In consideration of the foregoing, and the provision of a One Hundred Dollars (\$100.00) nonrefundable deposit (the "Independent Consideration"), the parties agree that adequate consideration exists so that Buyer's rights to terminate this Offer do not render this Offer illusory. Seller and Buyer each waive any and all rights to challenge the

enforceability of this Offer on the basis that any of the conditions or contingencies set forth herein are at Seller's or Buyer's sole discretion or that any of the agreements contained herein are illusory. If either party challenges the enforceability of this Offer in a manner that is inconsistent with the foregoing waiver, such party shall pay the other party's costs and expenses (including reasonable attorneys' fees) in enforcing this Offer. The Independent Consideration is in addition to and independent of any other consideration or payment provided for in this Offer and shall be retained by Seller notwithstanding: (a) the exercise of Buyer's rights to terminate the Offer, and/or (b) any other provision of this Offer. The Independent Consideration shall be applied to the Purchase Price if this transaction closes.

10. Closing. This transaction is to be closed (the "Closing") at the Title Company, or at such other location agreed to by Seller and Buyer, on or before December 31, 2022, or at such other time as may be agreed to by Buyer and Seller ("Closing Date"). Seller shall provide Buyer with copies of all closing documents not less than ten (10) days prior to the Closing Date. Seller shall deliver possession of the Property to Buyer on the Closing Date.

(a) At Closing, Seller shall deliver all of the following to Buyer or the Title Company, all of which shall be fully executed by Seller, where required:

- (i) The Deed;
- (ii) Customary seller's affidavit, ALTA statement, gap indemnity and such other affidavits of Seller or other documents as may be reasonably required by the Title Company in order to record the Deed and issue the Title Insurance Policy (defined below);
- (iii) Any required real estate transfer declarations and stamps;
- (iv) An "Assignment of Intangible Property" assigning Seller's right, title and interest, if any, in the licenses, permits, plans, specifications and other intangible property relating to the Property;
- (v) Satisfactory evidence of Seller's authority (including, without limitation, evidence of the authority of all persons executing any documents on behalf of Seller) to enter into this Offer, sell the Property to Buyer and perform Seller's other obligations under this Offer;
- (vi) A signed pro forma or signed mark-up of the Commitment (the "Title Insurance Policy") issued by the Title Company in the amount of the Purchase Price pursuant to the Commitment and subject only to Permitted Exceptions, and including such endorsements as requested by Buyer;
- (vii) A closing statement setting for the Purchase Price and the adjustments and prorations set forth herein (the "Closing Statement");

- (viii) Pay-off letters with respect to all mortgages of record;
- (ix) A statement certifying that all of the representations and warranties of Seller contained herein are true and correct as of the Closing Date;
- (x) The Post-Closing Escrow Agreement; and
- (xi) Such other documents as may be reasonably required by Buyer or the Title Company.

(b) At Closing, Buyer shall deliver all of the following to Seller or The Title Company, all of which shall be fully-executed by Buyer, where required:

(i) The balance of the Purchase Price and Escrowed Funds, plus or minus prorations, credits and other adjustments, by wire transfer or otherwise in immediately available funds;

(ii) A counterpart to the Closing Statement;

(iii) A counterpart to the Assignment of Intangible Property; and

(iv) Such other documents as may be reasonably required by the Title Company in order to record the Deed and issue the Title Insurance Policy.

11. Pro-rations/Credits. The following items shall be calculated by Buyer and Seller and prorated or credited at Closing as follows:

(a) Net general real estate taxes for the year of Closing shall be prorated as of the Closing Date, inclusive of said date, on the basis of the net general real estate taxes for the year of Closing, if known, otherwise on the net general real estate taxes for the preceding year. Seller shall pay prior to the Closing Date all general real estate taxes attributable to any time period prior to the year of Closing. General and special assessments for any work on or relating to the Property commenced, assessed, accrued or levied prior to the Closing Date shall be paid by Seller at or prior to Closing.

(b) All other expenses for utilities and other operating items related to the Property shall be prorated as of the Closing Date.

(c) At the Closing, Seller shall pay for the Commitment, the cost of the title insurance premium (for coverage in the amount of the Purchase Price) and the gap endorsement, special assessment letters (if any), and transfer taxes for the transaction. Buyer shall pay for the cost to record the Deed, the cost of all other endorsements (other than the gap endorsement) and the costs related to any lender's policy. Buyer shall pay the cost of the Title Company's closing fee.

12. Operation/Closing Conditions.

(a) From the Effective Date through the Closing Date, Seller shall: (i) maintain the Property in a manner consistent with the condition of the Property at the time of the Effective Date and shall pay all bills and discharge all obligations arising by reason of Seller's ownership, operation and management of the Property, as they become due; (ii) not, without obtaining the prior written consent of Buyer, enter into any leases, easements or other agreements with respect to the Property which will extend in force beyond the Closing and purport to bind Buyer or the Property or will not be fully performed by Seller prior to the Closing; (iii) advise Buyer promptly of any litigation, arbitration or administrative hearing before any court or governmental agency concerning or affecting the Property or this Offer; (iv) upon receipt of notice thereof, notify Buyer promptly of any violation or potential violation of any applicable law, enactment, statute, code, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, agreement, or other direction or requirement of any federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them now existing or hereafter enacted, adopted, promulgated, entered, or issued applicable to the Seller or the Property ("Government Requirement"); and (v) not take, or omit to take, any action that would have the effect of violating any of the representations, warranties, covenants and agreements of Seller contained in this Offer. Buyer shall have the right to terminate this Offer and receive a return of the Earnest Money upon receipt of any notice of a violation of a Governmental Requirement, whether from Seller or otherwise. The provisions of this Section shall survive Closing.

(b) This Offer and Buyer's obligation to close are subject to the following additional express conditions precedent. Buyer shall have the right to terminate this Offer and receive a return of the Earnest Money if the following conditions precedent are not satisfied prior to Closing. Notwithstanding anything to the contrary which may be contained herein, each of the following conditions is intended for the exclusive protection and benefit of Buyer (and may be waived by Buyer):

(i) The continued validity of each and all of the representations, warranties and covenants of Seller contained in this Offer in all material respects, as of the Closing Date;

(ii) Seller shall have performed, observed and complied with all of the covenants, agreements and conditions required by this Offer to be performed, observed and complied with by Seller prior to or as of the Closing; and

(iii) No proceeding by any governmental body or other person shall have been instituted or threatened which seeks to enjoin, restrain or prohibit, or which questions the validity or legality of the transaction contemplated hereby or which otherwise seeks to affect or could affect the transactions contemplated hereby.

13. Warranties and Representations.

(a) Seller hereby represents and warrants to Buyer the following (subject to Seller's actual knowledge, where indicated below ("Seller's Knowledge")):

Authority/Litigation. Seller has full power and authority to execute this Offer and convey the Property to Buyer. The execution, delivery and performance by Seller of this Offer will not constitute or cause a default or breach of any agreement on the part of Seller. Seller has no knowledge of any claim, demand, damage, action or cause of action of any person, entity or governmental agency or instrumentality affecting the Property or Seller. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against Seller, and Seller has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature.

Compliance with Laws. The Property is not in violation of any Environmental Laws, as defined below.

Underground Tanks. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there are no underground storage tanks or wells presently located on the Property nor have there ever been any located on the Property.

Environmental. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there are no Hazardous Substances (defined below) on, under or at the Property including, without limitation, in the groundwater. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge no Hazardous Substances have been treated, recycled or disposed of (intentionally or unintentionally) on, under or at the Property. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge there have been no activities on the Property which would subject Buyer or any subsequent owner of the Property to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or common law theory of liability. Except as disclosed in the Due Diligence Documents, to Seller's Knowledge, no property adjacent to the Property has ever been used for the treatment, recycling or disposal (intentional or unintentional) of Hazardous Substances nor has there been a release or threatened release of any Hazardous Substances from such adjacent property. The term "Environmental Laws" shall mean all federal, state and local laws including statutes, regulations and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process wastewater or the disposal of solid or hazardous waste or otherwise relating to the environment or hazardous substances or employee health and safety including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Occupational Safety and Health Act of 1970 (all as the same may have been amended), regulations of the Environmental Protection Agency, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect. The term "Hazardous Substances" shall mean all hazardous and toxic substances, wastes and materials; any pollutants or contaminants (including, without limitation, petroleum

products, asbestos and raw materials which include hazardous constituents); and any other similar substances or materials which are regulated under Environmental Laws.

Other Government Actions. Seller has no notice or knowledge of any violation of any law or zoning or environmental regulation and no notice from any governmental body or other person has been served upon Seller or upon the Property claiming violation of any such law or regulation with regard to the Property.

Documents. All documentation delivered by Seller pursuant to this Offer is true, correct and complete in all material respects. To Seller's Knowledge, the Due Diligence Documents provided by Seller have not been amended or altered, are true, accurate and complete, and are all Diligence Documents in Seller's possession or control.

Special Assessments and Deferred Charges. Seller has no notice or knowledge of any existing special assessments, deferred water or sewer charges or special charges pertaining to the Property, nor any planned, contemplated or commenced public improvements which may result in special assessments or special charges pertaining to the Property.

Leases. There are no leases, landlord/tenant relationships or written or oral agreements regarding the use of the Property by a third person or party or otherwise affecting the Property.

Foreign Person. Seller is not a "foreign person", "foreign corporation", "foreign trust" or "foreign estate", as those terms are defined in The Internal Revenue Code of 1986, as amended ("Code") Section 1445.

Property. There are no pending requests, applications, or proceedings to alter or restrict the zoning or other use restrictions applicable to the Property. Seller is not aware of and has received no notice of any eminent domain condemnation, environmental, zoning or other land use regulation proceedings which affects or will affect the Property.

OFAC. Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons list), or under any statute, executive order (including the September 24, 2002, Executive Order ("Executive Order") blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and will not engage in any dealing or transaction or be otherwise associated with such persons or entities. This Offer may be terminated by Buyer if Seller is determined to be a blocked person within the meaning of the Executive Order and the Earnest Money shall be returned to Buyer.

(b) Buyer hereby represents and warrants to Seller the following:

Authority. Neither the execution of this Offer by Buyer nor the performance of its obligations hereunder, will violate its organizational documents or constitute a breach or violation or any agreement, law, regulation or order applicable to Buyer. Buyer is in good standing in the state of its organization.

OFAC. Buyer is not, and will not become, a person or entity with whom United States persons or entities are restricted from doing business under regulations of OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons list), or under any statute, executive order (including the Executive Order blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and will not engage in any dealing or transaction or be otherwise associated with such persons or entities. This Offer may be terminated by Seller if Buyer is determined to be a blocked person within the meaning of the Executive Order and the Earnest Money shall be immediately disbursed to Seller.

(c) Each party (in such context an "Indemnitor") shall indemnify, defend and hold the other and such other's officers, members, managers, directors, employees, agents, successors, assigns and grantees (in such context, collectively the "Indemnitees") harmless from and against all liability, loss, costs, damages, claims and expenses (including reasonable attorneys' fees) arising out of or in connection with the breach by the Indemnitor of any of its warranties, covenants and representations set forth herein, all of which shall survive the Closing for a period of twenty-four (24) months and be deemed to have been remade upon the Closing.

14. Indemnification. Except as specifically provided otherwise in this Offer, Seller shall indemnify and hold Buyer harmless from and against any and all loss, cost, damages, injury or expense arising out of or in any way related to claims for injury to or death of persons, damage to property or contract liabilities associated with the ownership or operation of the Property or the business conducted thereon, arising out of events or transactions occurring on or before the Closing Date or caused by Seller, its agents, contractors or employees, but not as to any liabilities caused by Buyer, its agents contractors or employees.

15. Notices. Any notice or election required or permitted to be given or served hereunder shall be in writing and be delivered either in person or sent by (i) United States certified or registered mail, postage prepaid, return receipt requested; (ii) courier service; or (iii) email. Any such notice, if mailed as provided herein, shall be deemed to have been mailed, rendered, given or served on the date mailed and shall be deemed to have been received on the expiration of two business days after mailing. Any such notice, if sent by overnight courier, shall be deemed to have been mailed, rendered, given or served on the deposited with such courier and shall be deemed to have been received on the following business day. Any notice or communication personally delivered or delivered via email shall be deemed to have been given or served upon the party to whom delivered immediately upon delivery thereof.

All notices shall be in writing and shall be served on the parties at the following addresses:

If to Buyer: General Capital Acquisitions, LLC
Attn: Sig Strautmanis
6938 N. Santa Monica Blvd.
Fox Point, WI 53217
sig@generalcapitalgroup.com

with copy to: David Weiss
6938 N. Santa Monica Blvd.
Fox Point, WI 53217
Fax No. 414 228 3700
david@generalcapitalgroup.com

If to Seller: Redevelopment Authority of the City of Sheboygan
Attn: _____

E-mail: _____

with a copy to: _____

The above addresses and facsimile numbers and emails may be changed by notice to the other party; provided that no notice of a change shall be effective until actual receipt of such notice. Notice by any party may be given by such party or its counsel to the other party or such other party's counsel.

16. Brokerage Commissions. Seller represents and warrants that it has not dealt with any agent, broker or other person in connection with the transaction contemplated by this Offer. Buyer represents and warrants that it has not dealt with any agent, broker, finder or other person in connection with the transaction contemplated by this Offer. Each party hereby indemnifies and agrees to hold the other harmless against and from the claims and demands of anyone who claims a commission, fee, or similar payment by, through, or under the indemnifying party. The provisions of this Section shall survive Closing.

17. As-Is. Except for any representations or warranties expressly made in the Offer by Seller, Buyer acknowledges and agrees that the Property is being purchased on an "AS IS, WHERE IS, WITH ALL FAULTS" basis with respect to the physical condition of the Property and without any warranty or representation by Seller with respect thereto. Buyer acknowledges that Buyer will have full and adequate opportunity to inspect the Property prior to Closing and shall accept the Property in the manner above prescribed.

18. Miscellaneous.

(a) This Offer shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns. Buyer may assign this Offer without the prior written consent of Seller upon written notice to Seller.

(b) The laws of the state of Wisconsin shall govern the validity, construction, enforcement and interpretation of this Offer.

(c) No provision of this Offer shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Offer; both parties having fully participated in the negotiation of this instrument, hereby agree that this Offer shall not be subject to the principle that a contract would be construed against the party which drafted the same.

(d) On the Closing Date, or thereafter if necessary, each party shall, without cost or expense to the other party, obtain and deliver to or cause to be executed and delivered to the other party, such further instruments of transfer and conveyance as may reasonably be requested, and take such other action as a party may reasonably request to carry out more effectively the transactions contemplated herein.

(e) In the event any portion of the Property is condemned or taken by eminent domain or conveyed by deed in lieu thereof, or if any condemnation proceeding is commenced against all or any portion of the Property prior to Closing (collectively, a "Condemnation"), Seller shall give written notice of such Condemnation to Buyer promptly after Seller receives notice of such Condemnation, and Buyer may elect to terminate this Offer by written notice thereof to the Seller within fifteen (15) business days after Buyer is notified of the Condemnation. Upon termination of this Offer, the Earnest Money shall be returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). If Buyer does not terminate this Offer as aforesaid, then both parties shall proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event (i) Buyer shall receive all condemnation proceeds with respect to such Condemnation, (ii) Seller shall deliver to Buyer at the Closing any proceeds received by Seller from such Condemnation and assign to Buyer its interest in and to any such proceeds which Seller has not yet received, and (iii) there shall be no reduction in the Purchase Price.

(f) In the event that the Property or any portion thereof shall be damaged or destroyed by fire or other casualty prior to Closing ("Casualty"), Seller shall give written notice of such Casualty to Buyer promptly after Seller receives notice of such Casualty, and Buyer may terminate this Offer by written notice thereof to the Seller within fifteen (15) business days after Buyer is notified of the Casualty. Upon termination of this Offer, the Earnest Money shall be returned to Buyer and all rights, duties and obligations of the parties under this Offer shall thereafter cease and be of no further force or effect (except with respect to the provisions hereof which expressly survive the termination of this Offer). If Buyer does not terminate this Offer as aforesaid, then both parties shall proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event: (i) Buyer shall have the right to receive insurance proceeds with respect to such Casualty, or (ii) Seller shall deliver to Buyer at the Closing any insurance proceeds received by Seller attributable to the Buyer from such Casualty (except for proceeds

previously used to repair the Property to the extent that immediate repairs are reasonably necessary) and assign to Buyer all of Seller's right, title and interest in and to any claims which Seller may have under the insurance policies covering the Property, (iii) Buyer shall receive a credit against the Purchase Price at Closing for any applicable insurance deductible under the insurance policy or policies.

(g) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Offer, the non-prevailing party shall reimburse the prevailing party for its actual reasonable attorneys' fees, and actual reasonable legal costs and expenses.

(h) This Offer may be signed in counterparts, each of which upon execution and delivery as prescribed, shall be deemed an original for all purposes. Photocopies, facsimile transmissions or other such reproductions of this Offer, including such reproductions of the signatures of the parties hereto, shall be deemed to be the equivalent of originals.

(i) This Offer shall be null and void unless a copy signed and accepted by Seller is returned to Buyer, at the address set forth below for notices, on or before December 3, 2021.

(j) Seller shall not market, solicit, negotiate or otherwise engage with other potential buyer(s) while this Offer is effective.

(k) Seller and Buyer shall not disclose the terms and conditions contained in this Offer and shall keep the same confidential, provided that Seller and Buyer may disclose the terms and conditions of this Offer (i) as required by law, (ii) to consummate the terms of this Offer, or any financing relating thereto, (iii) to Buyer's or Seller's lenders, attorneys, consultants, investors and accountants, or (iv) to Buyer's prospective purchasers, partners or equity holders.

(l) If the date for Closing or performance of an obligation falls on a Saturday, Sunday or federal holiday, the date shall be deferred until the next business day.

(m) Except as otherwise provided herein, no delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Offer shall be established by conduct, custom, or course of dealing.

(n) This Offer contains the entire agreement of the parties with respect to the sale and purchase of the Property. All previous and contemporaneous negotiations, understandings and agreements between the parties hereto, with respect to the transaction set forth herein, are merged in this instrument, which alone fully and completely expresses the parties' rights and obligations. No amendments, modifications or changes shall be binding upon a party unless set forth in a duly executed document.

[Signatures on the following page]

IN WITNESS WHEREOF, the Buyer has caused this Offer to be executed this ___ day
of _____, 2021.

BUYER:

General Capital Acquisitions, LLC

By: _____
Name: _____
Its _____

SELLER:

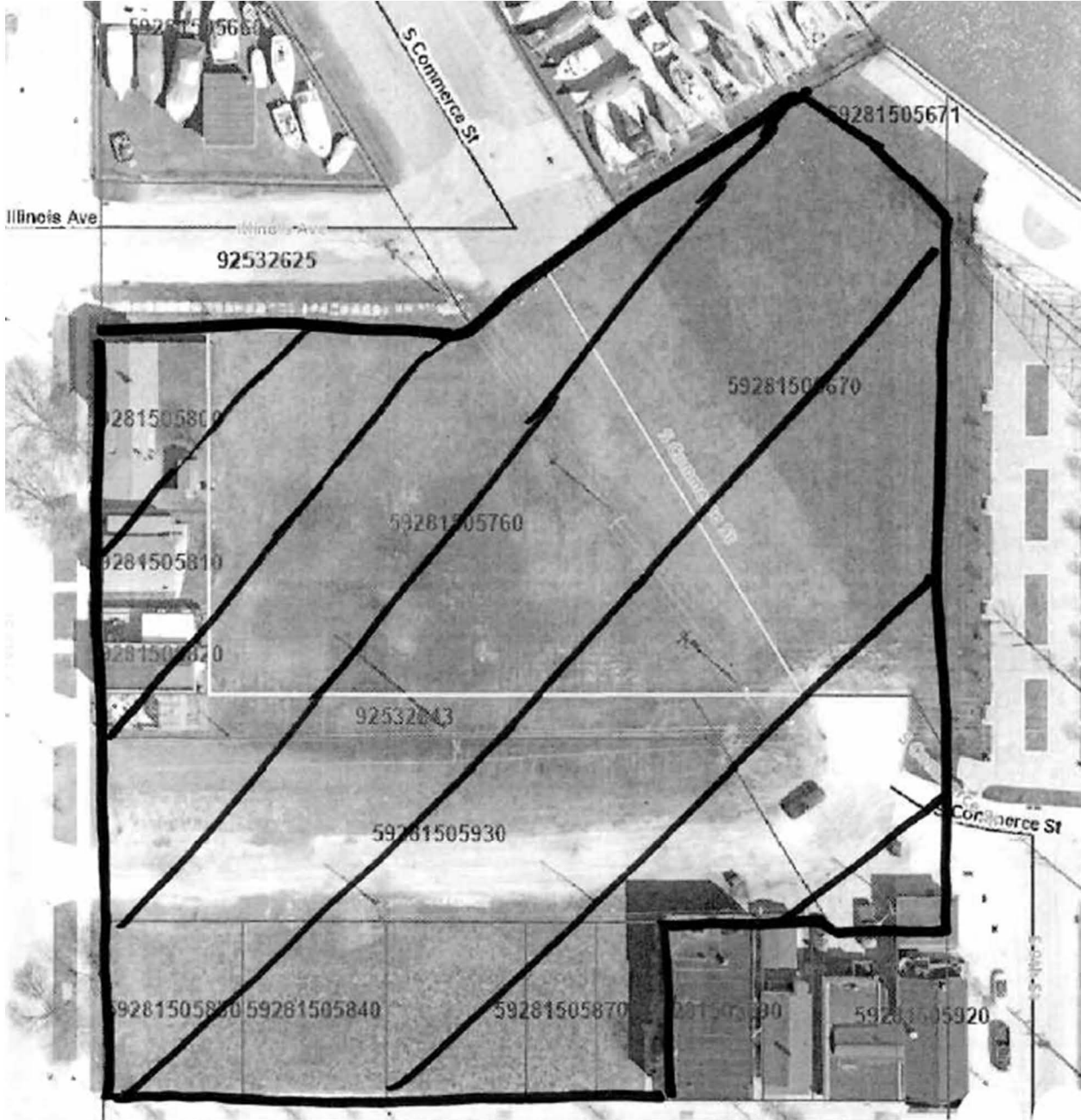
Redevelopment Authority of the City of Sheboygan

By: _____
Name: _____
Its _____

Accepted this ___ day of _____, 2021.

Exhibit A

Depiction of Property



CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on Offer to Purchase the former Koepsell Property and adjacent properties by General Capital Acquisitions, LLC.

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

REPORT DATE: November 22, 2021 **MEETING DATE:** December 1, 2021

FISCAL SUMMARY:

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

STATUTORY REFERENCE:

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

BACKGROUND / ANALYSIS:

On October 6, 2021, the Redevelopment Authority (RDA) approved the sale of RDA owned land near Indiana Avenue and S. 10th Street (former Koepsell property) for \$300,000 with \$150,000 being placed in an environmental escrow to cover environmental costs incurred to redevelop the property. Attached, is the negotiated agreement reviewed by both parties. The agreement requires RDA approval.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motions to approve and authorize execution by the Chairperson and the Executive Director per the attached document.

ATTACHMENTS:

I. Offer to Purchase between General Capital Acquisitions, LLC and the Redevelopment Authority of Sheboygan, Wisconsin.

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on awarding the request for proposals related to activation of the city’s green space at the former Koepsell property.

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

REPORT DATE: November 23, 2021 **MEETING DATE:** December 1, 2021

FISCAL SUMMARY:

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

STATUTORY REFERENCE:

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

BACKGROUND / ANALYSIS:

On November 4, 2021, the Department of the City Development published an advertisement in the Sheboygan Press related to a request for proposals to activate the city-owned public promenade and riverfront property with active recreation and entertainment potential. The City received one request for the request for proposal documents from General Capital.

The deadline to submit requests was 4 p.m. on November 19, 2021. The Redevelopment Authority received one proposal from General Capital, who is working on a larger project adjacent to this property. City staff believes it makes sense to integrate this property into the overall General Capital development plan for the site.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion to approve the General Capital proposal for activation of the promenade and riverfront as part of the overall design of the affordable housing development.

ATTACHMENTS:

I. Proposal from General Capital dated November 18, 2021

November 18, 2020

Chad Pelishek
Director of Planning & Development
City of Sheboygan
Via e-mail: chad.pelishek@sheboyganwi.gov

RE: **Riverfront/Public Promenade Activation**
Response to RDA Request for Proposals

Dear Chad and Members of the RDA:

General Capital is pleased to present this response to the RDA's Request for Proposals to activate the Sheboygan River with a dynamic pedestrian promenade and public plaza. We have been working on our plans for several months and believe our project presents an excellent opportunity for the City to partner with a private-sector developer to create a public promenade that will connect the City's vision for an active riverfront and offer residents and visitors the opportunity to walk and enjoy views of the Sheboygan River and Downtown. We propose to develop this pedestrian amenity in concert with our larger Berkshire – Sheboygan Riverfront project, a mixed-use community with both independent senior apartments and live/work units on Indiana Avenue. Together, our proposed project and our proposal for the new pedestrian promenade will successfully activate the riverfront as envisioned by the RDA. Our submittal is responsive to the City's RFP requirements and is presented in the format requested by the RDA.

As an active member of the Wisconsin development community for over 20 years, General Capital is firmly committed to the reinvestment and revitalization of spaces that serve communities. With a multi-decade track record of high-quality affordable and market rate housing, industrial and commercial development that includes more than 80 projects, General Capital brings the expertise required to navigate complex real estate transactions, public and private financing structures, and community engagement.

We look forward to discussing our proposal in more detail. In the meantime, please don't hesitate to contact us with any questions you may have.

Sincerely,
General Capital Group



Sig Strautmanis

Developer Contact Information:	Sig Strautmanis General Capital Group 6938 N Santa Monica Blvd, Fox Point, WI 53217 (414) 228-3502 sig@generalcapitalgroup.com
Architect & Engineer:	The building and site have been designed by Engberg Architects and SIGMA Engineering. Both firms have demonstrated their commitment to delivering high quality design that fits into the context of the community.
General Contractor:	General Capital's subsidiary, Bedrock Construction, will act as GC on the project. General Capital utilizes best practice construction methods and high-quality materials that ensure the durability of the project for the long term.
Ongoing Management:	Our project will be professionally managed by Oakbrook Corporation.

2.0 SUMMARY OF QUALIFICATIONS, EXPERIENCE AND AVAILABILITY

Our team has the qualifications and experience to implement the RDA's desire for a public pedestrian promenade and open space that will serve to activate the existing Riverwalk and pedestrian amenities developed by the City in this area. General Capital's development team includes experts who have successfully designed, financed and implemented multi-million-dollar development projects. More specifically, General Capital has also implemented numerous public infrastructure projects including The Reed Street Yards, a 40-acre urban business park located in Downtown Milwaukee and several projects involving installation of public utilities, sidewalks and other infrastructure constructed to strict public standards. Our team is capable of designing and constructing the proposed promenade feature and is willing to work with the RDA and City to produce exciting programming to continuously activate this space.

Of critical importance to our mutual interests, General Capital is applying for Housing Tax Credits to WHEDA in the December 2021 allocation cycle. As part of this application, participating in the City's RFP is essential to a successful application. It is our intent to create a "win-win" situation between the RDA, the City and developer that will lead to a high-quality redevelopment of the entire RDA-owned property and to achieve the City's goal of increasing pedestrian connectivity throughout the surrounding neighborhood. We look forward to continuing our strong relationship with the RDA and City of Sheboygan as we work through the details of the proposed project.

General Capital Group – Developer

General Capital is a leading Milwaukee based real estate development firm focused on building a portfolio of exceptional projects in established urban and suburban neighborhoods, each with a unique character reflecting the community in which it is developed. General Capital is a recognized leader in the development of high quality historic and LIHTC projects using 4% and 9% housing tax credits, as well as other Federal and local housing programs in Wisconsin, Michigan, and Illinois. Its core business also includes development and acquisition of quality office, industrial, retail and market rate multi-family assets. The firm develops or repositions institutional quality assets that are typically held in the portfolio for extended periods of time. In selecting and executing its projects, General Capital works closely with tenants and municipalities to ensure that projects enhance long-term objectives. Such cooperation often leads to repeat public-private partnerships and joint ventures.

General Capital's expertise is evidenced through the firm's 20+ year track record that includes more than 35 highly structured LIHTC developments, numerous grocery anchored shopping centers as a preferred development team for Kroger (Roundy's), student housing, life science, and multiple build-to-suit federal projects in Wisconsin, Illinois, Michigan, Pennsylvania and Florida. Principals Michael Weiss and David Weiss each have 35+ years of real estate experience and vast expertise.

Key Personnel

David Weiss, Chief Executive Officer

Responsibilities: Financing, contracts and partnership agreements, municipal negotiations

David is Chief Executive Officer of General Capital. He began his career in New York with Citibank's Leveraged Capital Group in the 1980s. David later became a Vice President in Citibank's Institutional Recovery Management group, where he was involved in corporate workouts, restructuring and lender litigation. In 1993, David moved to Citicorp's Real Estate Group in Chicago, where he was Vice President and team leader in the Shopping Centers Group, managing a debt portfolio in excess of \$400 million. He joined General Capital Group in 1997 as a founding Partner. David is a member of the Firm's Investment Committee and is responsible for General Capital's financial and banking relationships and risk management.

Josh Hafron, Financial Modeling

Responsibilities: LIHTC, soft money, agency coordination

Josh Hafron joined General Capital's Chicago office in 2007 with a focus on the acquisition and redevelopment of affordable/low income housing projects across the country. Josh has over 15 years of commercial real estate experience. Prior to joining General Capital, he served as assistant vice president with Urban Innovations in Chicago, where he was involved in the acquisition of affordable housing projects nationally. Josh previously held positions with First Industrial Realty Trust and First Chicago Capital Markets. Josh graduated from Tufts University and has a joint MA/MBA degree from George Washington University. He and his wife Kim live with their two children in Glencoe, IL.

Sig Strautmanis, Project Manager

Responsibilities: Programming and design, construction, municipal entitlements, resident engagement

Sig is responsible for coordinating General Capital's design, municipal entitlements and construction. In addition, Sig leads General Capital's environmental initiatives, including managing the firm's energy efficiency program and certifying new residential projects.

In 2004, Sig was named to the Business Journal's "40 Under 40" list for his contributions to the profession and local community. Sig joined General Capital after working for LDR International, a nationally recognized land use and urban design firm in Columbia, Maryland and for the Village of Germantown, a high growth Milwaukee suburb. In addition to his work at General Capital, Sig is currently an Adjunct Assistant Professor of Urban Planning at the University of Wisconsin – Milwaukee. He has Masters degrees in Architecture and Urban Planning.

Engberg Anderson Architects

Engberg Anderson, Inc was founded in 1987 and has been an active corporation for 30 years. Our 39 person firm is comprised of six partners and three principals with a professional staff who bring together a depth of diverse architectural, interior design and planning experience. From sensitive historic preservation projects to complex public and private community projects of a highly technical nature, we

collaborate with clients to help them achieve their goals with inspired work that supports activities and institutions at the heart of a vibrant community.

Key Personnel

Mark Ernst, AIA, LEED AP, Partner

Mark is a Partner at Engberg Anderson and a recognized architectural planning and design leader in the Milwaukee area. Accomplished at urban design issues, Mark stays active in the community as a member of Urban Land Institute, Congress for New Urbanism, and on the Wisconsin Green Building Alliance Board. A thriving urban neighborhood is one that fosters a spirit of community and connectivity. Mark works to create dynamic solutions that serve the community and client.

In response to the RDA's RFP Section 2.C., it should be noted that our proposal for the pedestrian promenade is part of a larger redevelopment concept for the entire property owned by the RDA. General Capital currently has an exclusive Right to Negotiate site control on the entire block and intends to enter into a purchase agreement for all the property that is part of the larger assemblage. We believe this puts our project in a very strong position to be the successful developer of the entire block, including the property that is the subject of this RFP.

3.0 Proposed Approach to the Process

To accommodate the diverse access and recreational needs of Sheboygan visitors and residents, the proposed project is a multi-use pedestrian promenade and public open space that will offer users of all ages and physical abilities the opportunity to enjoy the Sheboygan Riverfront. The promenade feature we propose will include “universal design” features to ensure that everyone can enjoy this public open space. We envision a network of sidewalks, small pocket park features with benches, lighting and coordinated site accessories. We envision a combination of active and passive recreation opportunities with linkage to the existing Riverwalk and a future connection to the multi-modal trail extending west from the project along the “rails to trails” connection. In addition, we propose a central gathering space that can accommodate “pop up” seasonal uses such as open air concerts, food trucks and other entertainment that will further activate the riverfront area.

We propose to design and construct the proposed pedestrian promenade and public open space with input from the neighborhood, key stakeholders, the RDA and City of Sheboygan. We do not anticipate any additional cost on behalf of the RDA or City to implement our proposed improvements outside of the financial participation previously requested to implement our larger redevelopment concept. We anticipate constructing the proposed public improvements during the construction of our larger project, more specifically defined in the Project Timeline, below:

Project Timeline

PROJECT SCHEDULE	
November 18, 2021	Submit RFP to City
December 2021	RFP award
Fall 2021	Entitlements Complete
December 10, 2021	WHEDA Tax Credit Application
Mid-April 2022	Tax Credits Awarded
April-Oct 2022	Neighborhood Outreach and Program Development
November 2022	Close on Land Acquisition & Tax Credit Financing
November 2022	Obtain Permits & Commence Construction
December 2023	Complete Construction of Project and Pedestrian Promenade

4.0 Proposed Budget

We find that generating good ideas is the “easy part” of urban redevelopment. It is, in fact, very challenging to close these deals. Our team has a long and successful track record of choosing our projects carefully and executing the details with great care. ***Our ideas get done.*** Structuring innovative transactions with a deep understanding of property subsidy, public and private financing structures, and other soft money financing vehicles is a strong suit of our development team. This project is no exception and our development team has the expertise required to navigate the complexity and execute the development and proposed public improvements.

The following conceptual budget is proposed to implement the pedestrian promenade improvements as contemplated by the RDA. The only form of financial assistance we request from the RDA is to sell General Capital the underlying land for \$1 to support the development of the promenade and open space.

PROJECT BUDGET	
Land Acquisition	\$1
Design/Engineering	\$2,500
Site Preparation	\$12,500
Pavement Installation	\$42,500
Wayfinding Signage	\$7,500
Contingency	\$5,000
TOTAL USES	\$70,001

5. *Professional References*

General Capital Group – Developer

Joe Carroll

Community Development Director

City of Platteville

75 N Bonson St - PO Box 780

Platteville, WI 53818

608-348-9741 ext 2235

carrollj@platteville.org | www.platteville.org

Richard A. Huff

City Administrator

333 N. 2nd Street Suite 301

City of Niles, Michigan 49120

269.683.4700 x-3011

Randy Meyer

Mayor

City of Sheboygan Falls

920.467.6625

mayor.meyer@cityofsheboyganfalls.com

6.0 Relevant Work Experience

General Capital has successfully developed (as Lead Developer):

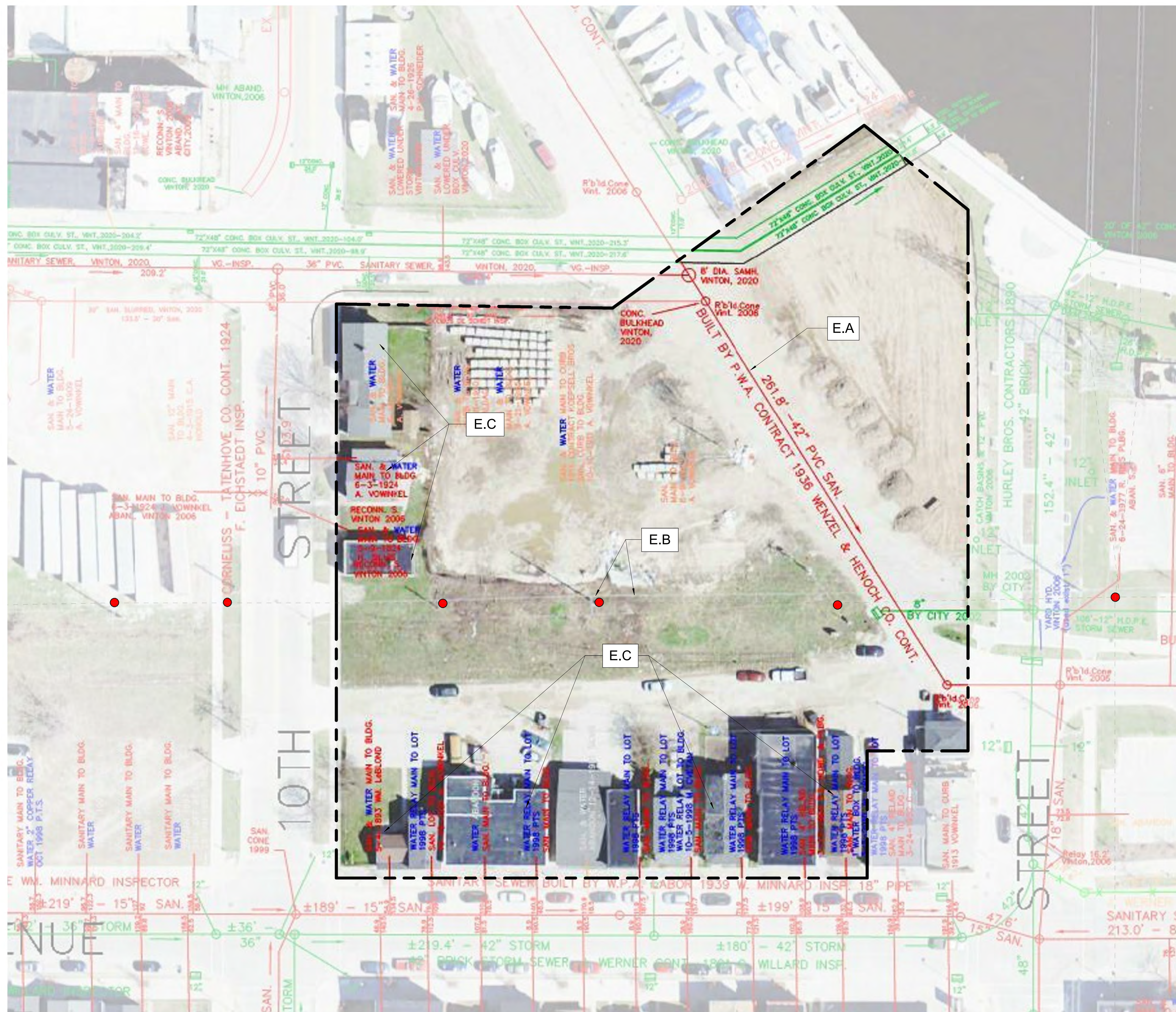
- **Chapel Garden Apartments** Milwaukee, WI
 - 68 unit Sect. 42 independent senior housing (closing March 2021)
- **Orchard Ridge** Muskegon, MI
 - 43 unit Sect. 42 acquisition rehab/workforce housing (closing Jan 2021)
- **Berkshire -- Johnsbury** Johnsbury, IL
 - 68 unit Sect. 42 senior housing (under construction)
- **TEN21 Apartments** Muskegon, MI
 - 60 unit Sect. 42 workforce housing (under construction)
- **Berkshire – Stevens Point** Stevens Point, WI
 - 88 unit Sect. 42 (4%) senior housing (under construction)
- **Berkshire – Sheboygan Falls** Sheboygan Falls, WI
 - 54 unit Sect. 42 senior/workforce housing (under construction)
- **Niles Post Office Apartments** Niles, MI
 - 60 unit Sect. 42 workforce housing (under construction)
- **Albert Kahn Apartments** Jackson, MI
 - 73 unit Sect. 42 workforce housing (under construction)
- **Ruxton APTS** Platteville, WI
 - 71 unit Sect. 42 workforce housing
- **Bergamot Brass Works Apartments** Delavan, WI
 - 71 unit Sect. 42 historic adaptive re-use/workforce housing
- **Berkshire – Paw Paw** Paw Paw, MI
 - 42 unit Sect. 42 independent senior housing
- **Berkshire -- Muskegon** Muskegon, MI
 - 84 unit Sect 42. Independent senior housing
- **Berkshire – Niles** Niles, MI
 - 53 unit Sect. 42 independent senior housing
- **Harbor City Flats** Benton Harbor, MI
 - 81 unit Sect. 42 acquisition rehab workforce housing
- **Niles Four Flags Apartments** Niles, MI
 - 88 unit Sect. 42 acquisition rehab elderly housing

- **Lakeside Gardens** Fond du Lac, WI
 - 80 unit Sect. 42 acquisition rehab workforce housing
- **Wildberry Village** Rockford, IL
 - 72 unit Sect. 42 acquisition rehab workforce housing
- **Deerwood Crossing Phase II** Brown Deer, WI
 - 30 unit independent/assisted senior housing
- **Bradley Crossing Phase II** Brown Deer, WI
 - 54 unit Sect. 42 supportive housing community
- **Bradley Crossing** Brown Deer, WI
 - 60 unit Sect. 42 supportive housing community
- **Maria Linden** (School Sisters of St. Francis) Milwaukee, WI
 - 72 unit Sect. 42 independent/assisted senior housing
- **Berkshire—Greendale** Greendale, WI
 - 90 unit independent Sect. 42 senior housing
- **Rosewood Senior Apartments** Columbia County, PA
 - 86 unit Sect. 42 acquisition rehab independent senior housing
- **Whispering Hills** Port Byron, IL
 - 72 unit Sect. 42 acquisition rehab family housing
- **Elven Sted** Stoughton, WI
 - 33 unit Sect. 42 family housing
- **Beerline B Apartments** Milwaukee, WI
 - 140 unit Sect. 42 workforce housing
- **Hide House Lofts** Milwaukee, WI
 - 60 unit Sect. 42 workforce housing
- **Deerwood Crossing** Brown Deer, WI
 - 66 unit independent/assisted senior housing
- **Berkshire at Kensington** Waukesha, WI
 - 177 unit independent senior housing
- **MacAuley Apartments** (St. Catherine's) Milwaukee, WI
 - 46 unit Sect. 42 workforce housing
- **Berkshire -- Oconomowoc** Oconomowoc, WI
 - 85 unit independent, bond financed senior housing
- **Berkshire – West Allis** West Allis, WI
 - 80 unit independent, Sect. 42 senior housing

7.0 Insurance Requirement

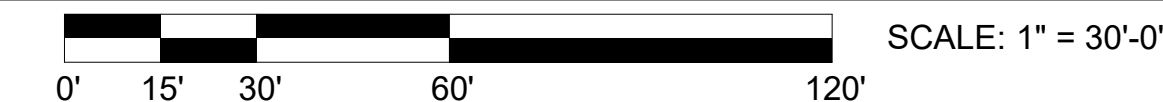
General Capital and its subsidiary Bedrock Construction Company, LLC, maintains insurance on every project that exceeds the requirements laid out by the RDA. A sample insurance certificate is attached for the RDA's reference. A specific insurance certificate with appropriate insureds will be issued at the time of construction.

KEY	
E.A	EXISTING SANITARY TO REMAIN
E.B	EXISTING OVERHEAD POWERLINES TO REMAIN
E.C	DEMOLISH STRUCTURES



GC - SHEBOYGAN

EXISTING SITE
 SCALE: As indicated
 8/10/21
 Engberg Anderson Project No. 213331.00



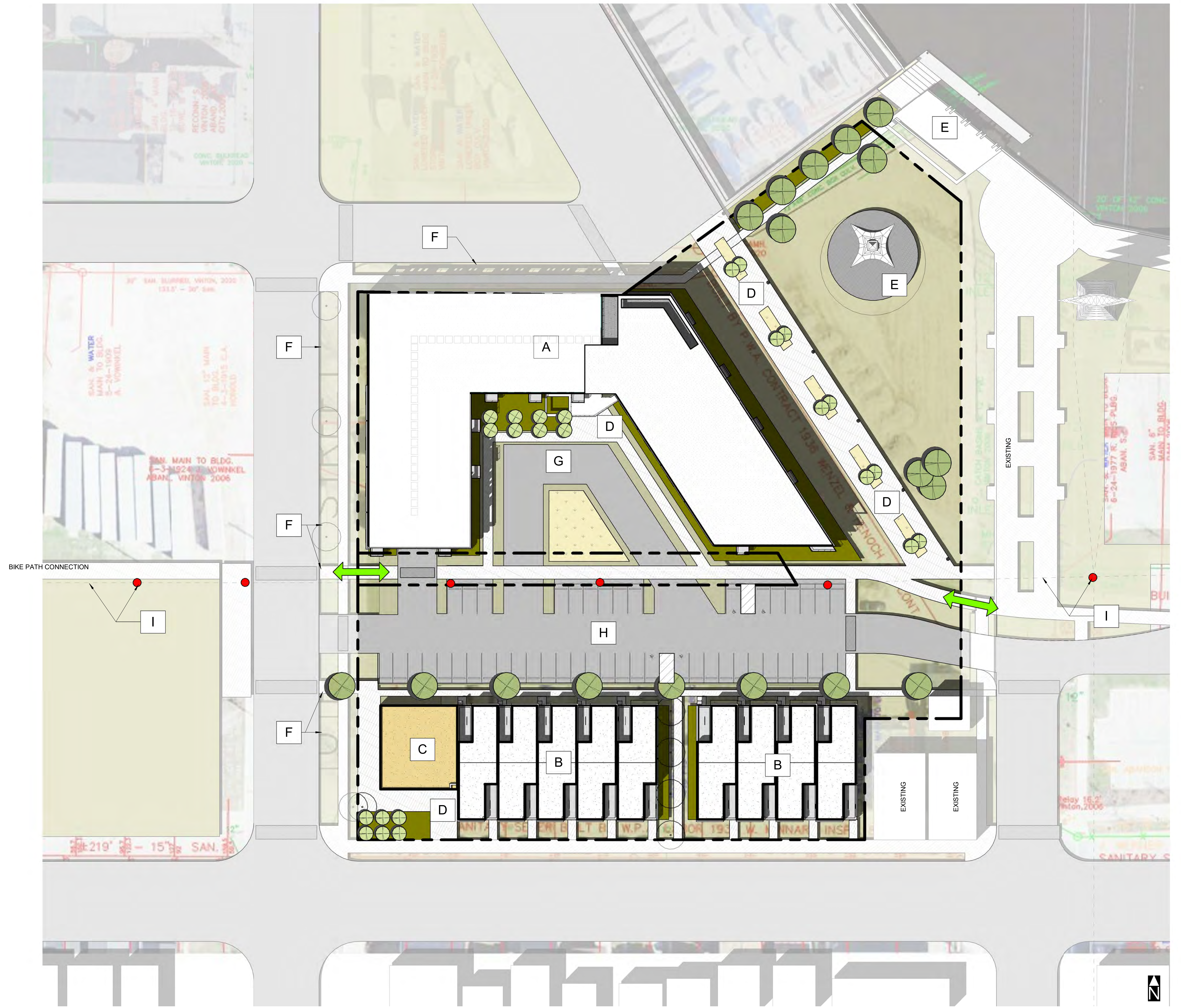
S002

KEY

A	SENIOR APARTMENTS
B	LIVE-WORK STYLE TOWNHOME
C	COMMERCIAL / RETAIL SPACE
D	PLAZA - LANDSCAPING AND TEXTURED CONC.
E	PEDESTRIAN PROMENADE
F	NEW CURB, SIDEWALK, AND GRASS AS NEEDED
G	DROP-OFF
H	RESIDENT SURFACE PARKING
I	OVERHEAD POWER LINES

PROJECT SUMMARY

SENIOR HOUSING		
1 BR	55 UNITS	
2BR	28 UNITS	
TOTAL	83 UNITS	
LIVE / WORK		
2BR	18 UNITS	
COMMERCIAL 2,400 SF		
PARKING		
COVERED PARKING	73 SPOTS	
SURFACE PARKING	38 SPOTS	
TOTAL PARKING	111 SPOTS	



GC - SHEBOYGAN

SITE PLAN
SCALE: As indicated

SCALE: 1" = 30'-0"
0' 15' 30' 60' 120'

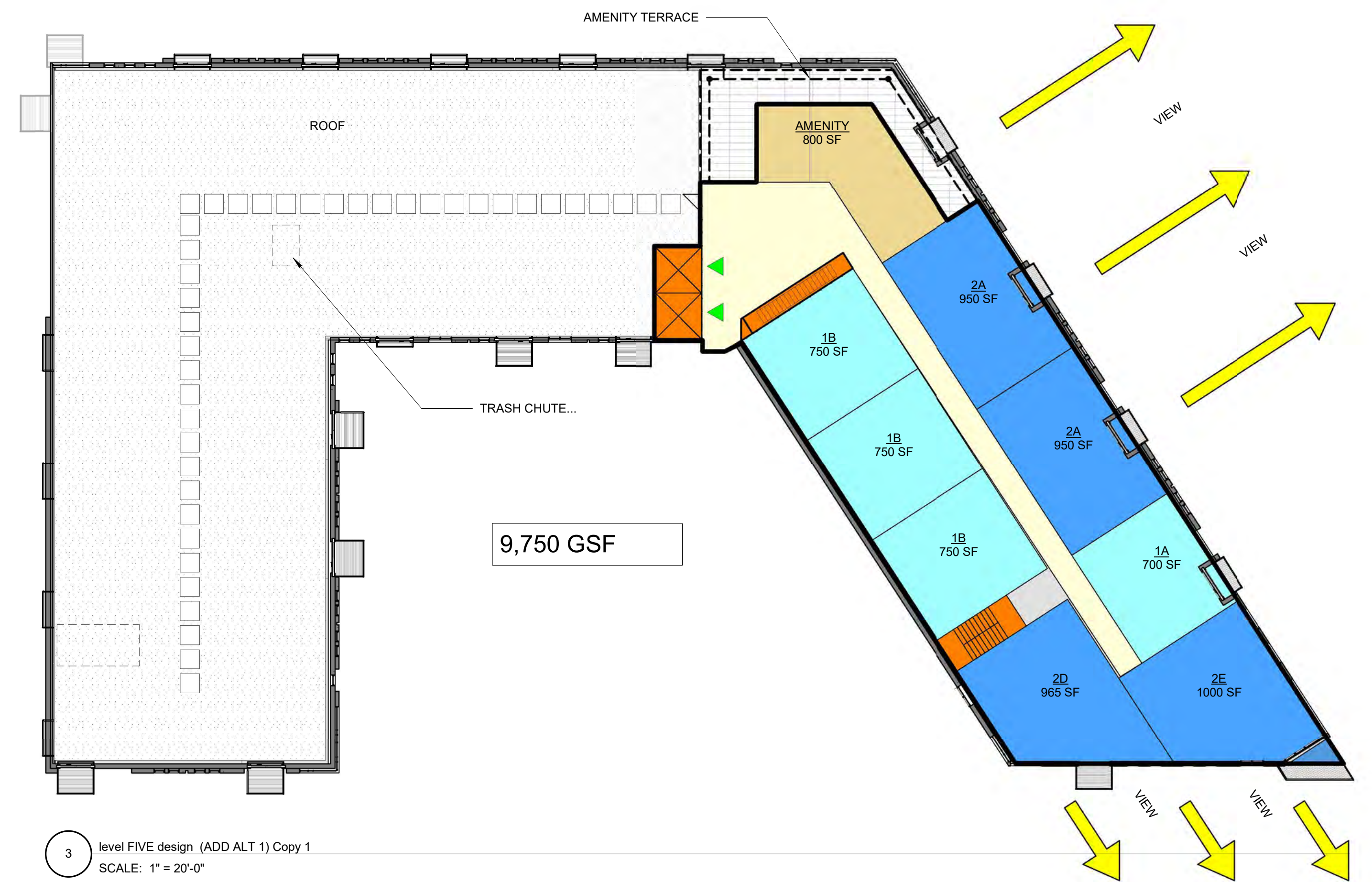
S001





GC - SHEBOYGAN





3 level FIVE design (ADD ALT 1) Copy 1
SCALE: 1" = 20'-0"



GC - SHEBOYGAN

PLANS-SENIOR HOUSING
SCALE: 1" = 20'-0"

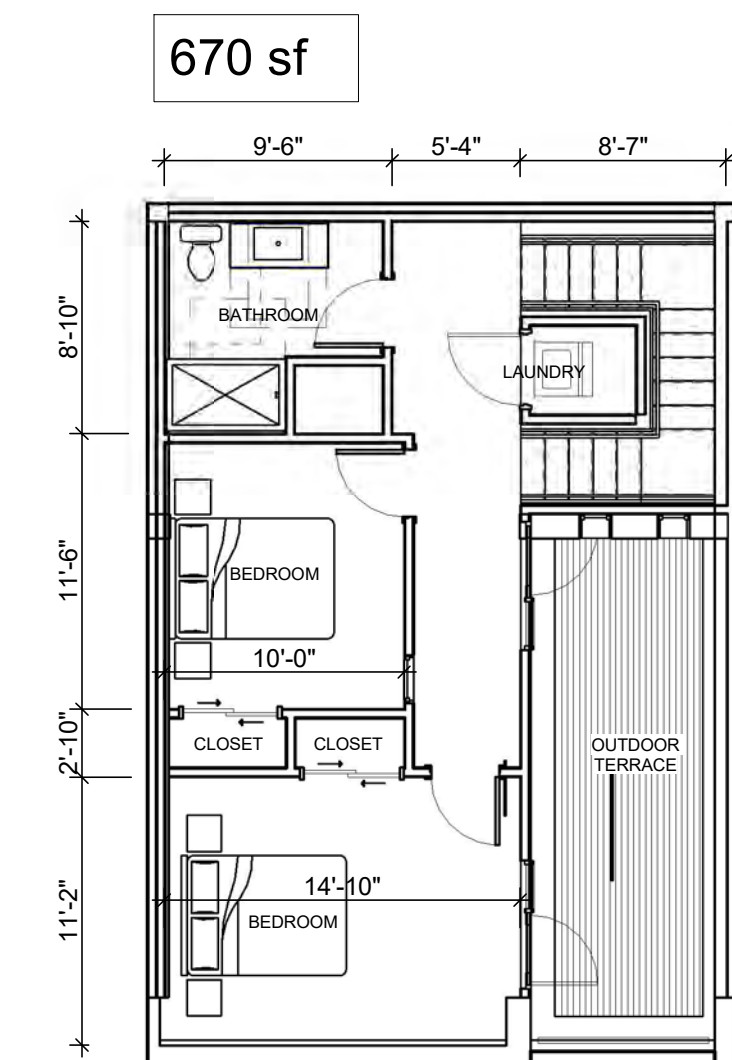


2 level TWO-THREE-FOUR design Copy 1
SCALE: 1" = 20'-0"

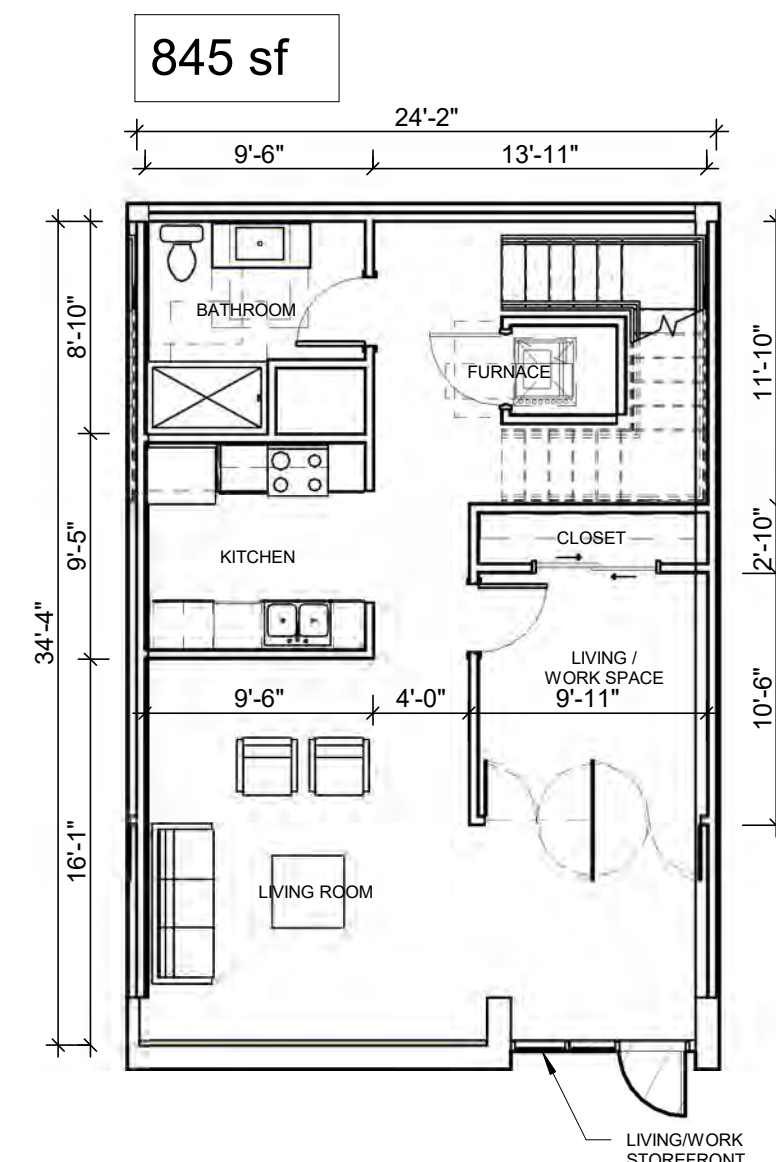
24,250 GSF/FL.



2 TH Level 2 Design Copy 1 Copy 1
SCALE: 1/16" = 1'-0"



4 TH - LEVEL TWO ENLARGED PLAN
SCALE: 1/8" = 1'-0"



3 TH - LEVEL ONE ENLARGED PLAN
SCALE: 1/8" = 1'-0"



1 TH level ONE Design Copy 1 Copy 1
SCALE: 1/16" = 1'-0"

GC - SHEBOYGAN



PLANS-TOWNHOMES
SCALE: As indicated

Engberg Anderson Project No. 213331.00

S151

FLAT PANEL CEMENT BOARD SIDING WITH
 PREFINISHED ALUMINUM "REVEAL" TYPE
 EXTRUSION JOINTS, COLOR TO MATCH SIDING.

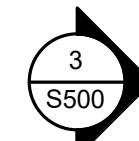


3 ELEVATION SOUTH E
 SCALE: 1/8" = 1'-0"

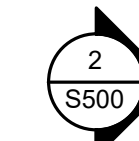
SHOP FABRICATED STEEL
 BALCONY ASSEMBLY

FLAT PANEL CEMENT BOARD SIDING WITH
 PREFINISHED ALUMINUM "REVEAL" TYPE
 EXTRUSION JOINTS, COLOR TO MATCH SIDING.

TYPICAL WINDOW ASSEMBLY



MASONRY VENEER 1



CEMENT BOARD ACCENT BROW, WITH INTEGRAL STEEL TRELLIS

STOREFRONT WINDOW ASSEMBLY

PTD. STEEL SUPPORT



1 ELEVATION EAST
 SCALE: 1/8" = 1'-0"

GC - SHEBOYGAN

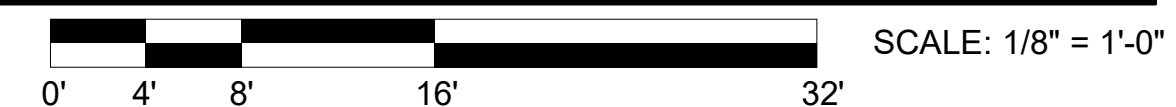
ELEVATIONS-SENIOR HOUSING

SCALE: 1/8" = 1'-0"

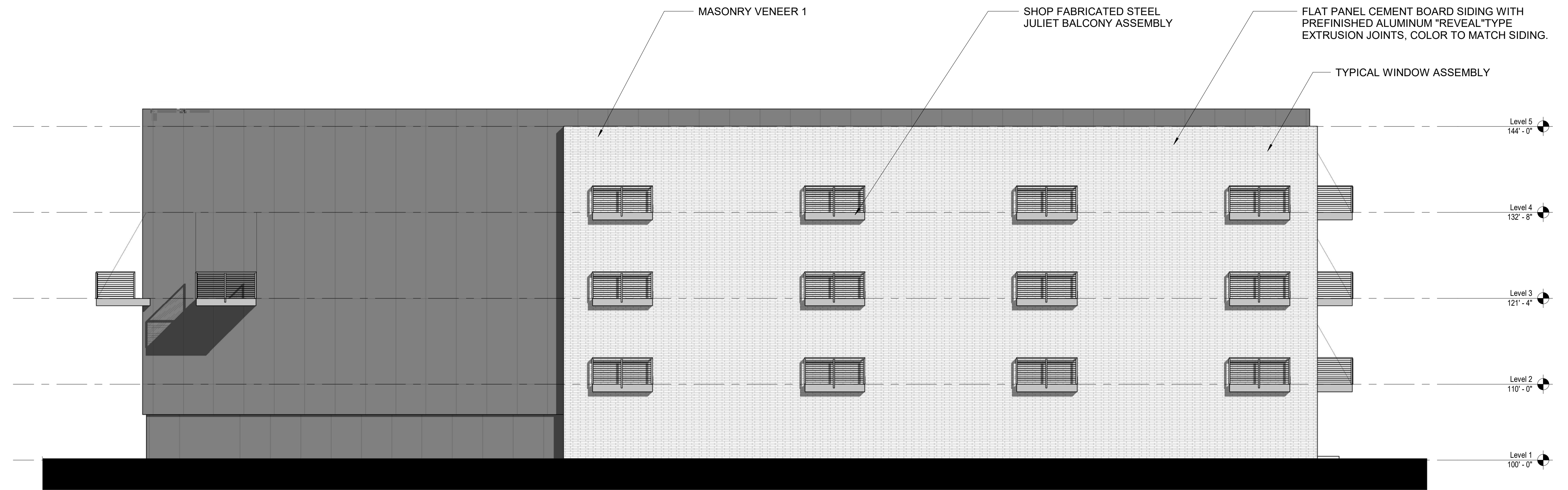
Engberg Anderson Project No. 213331.00



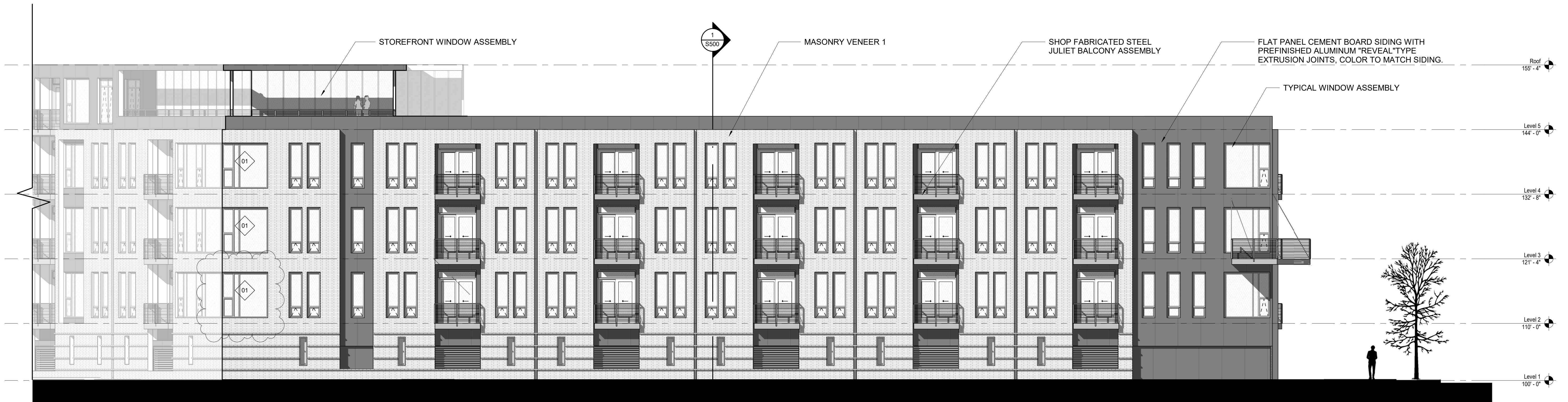
MILWAUKEE | MADISON | TUCSON | CHICAGO



S401



1 ELEVATION WEST
SCALE: 1/8" = 1'-0"

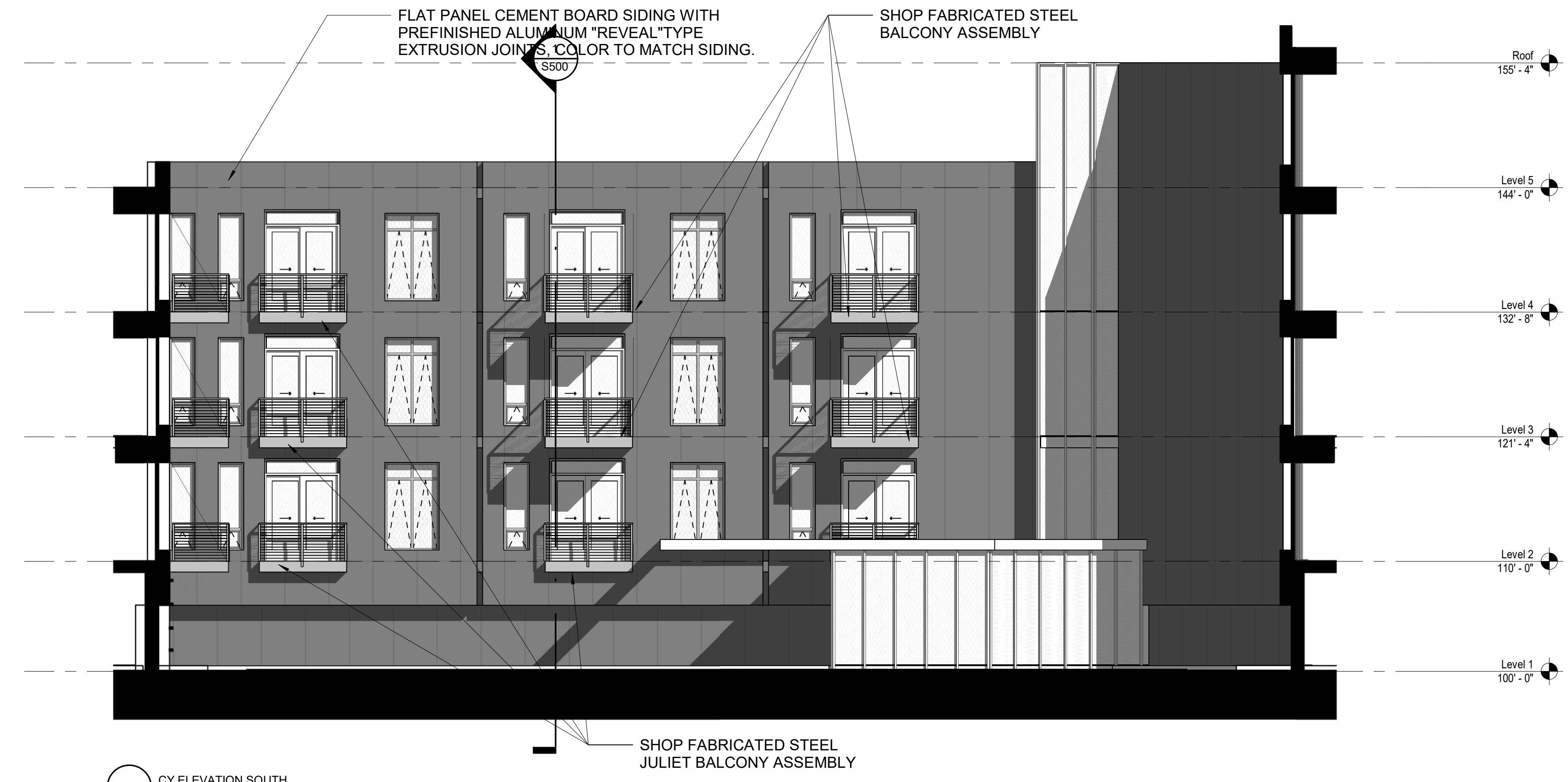


2 ELEVATION NORTH
SCALE: 1/8" = 1'-0"

GC - SHEBOYGAN

ELEVATIONS-SENIOR HOUSING
SCALE: 1/8" = 1'-0"

Engberg Anderson Project No. 213331.00



3 CY ELEVATION SOUTH
SCALE: 1/8" = 1'-0"



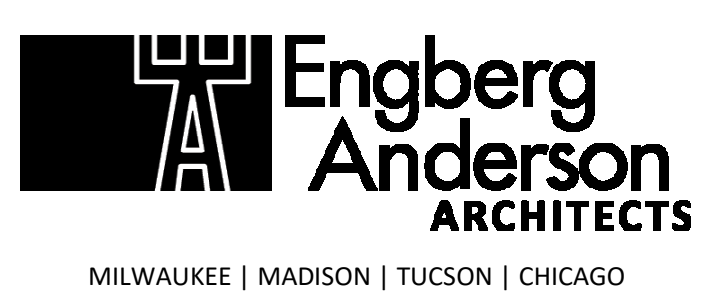
1 ELEVATION SOUTH W
SCALE: 1/8" = 1'-0"



2 CY ELEVATION EAST
SCALE: 1/8" = 1'-0"

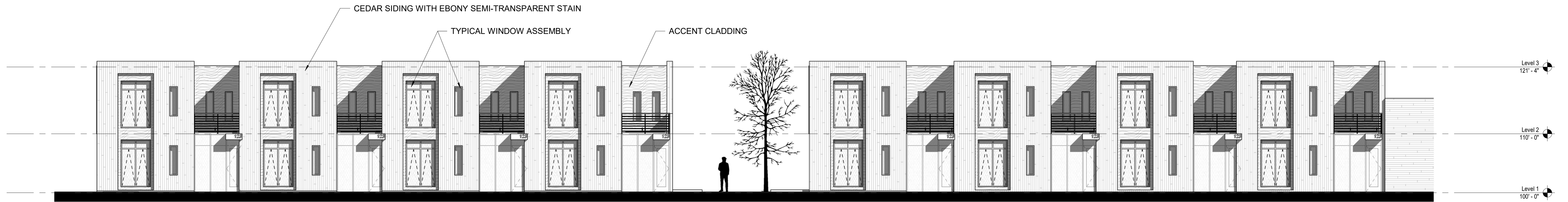
GC - SHEBOYGAN

ELEVATIONS-SENIOR HOUSING
SCALE: 1/8" = 1'-0"

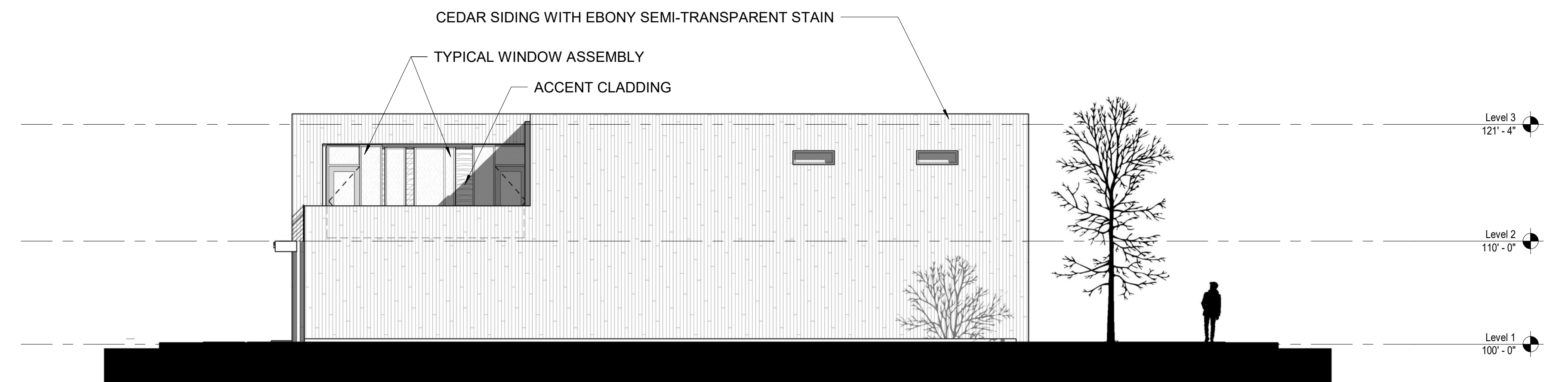


Engberg Anderson Project No. 213331.00

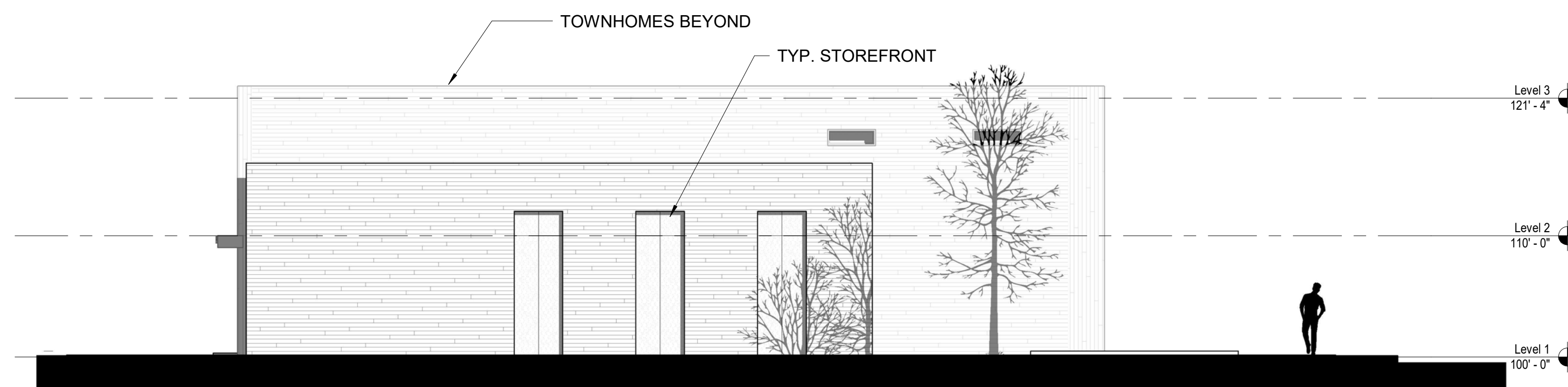
S403



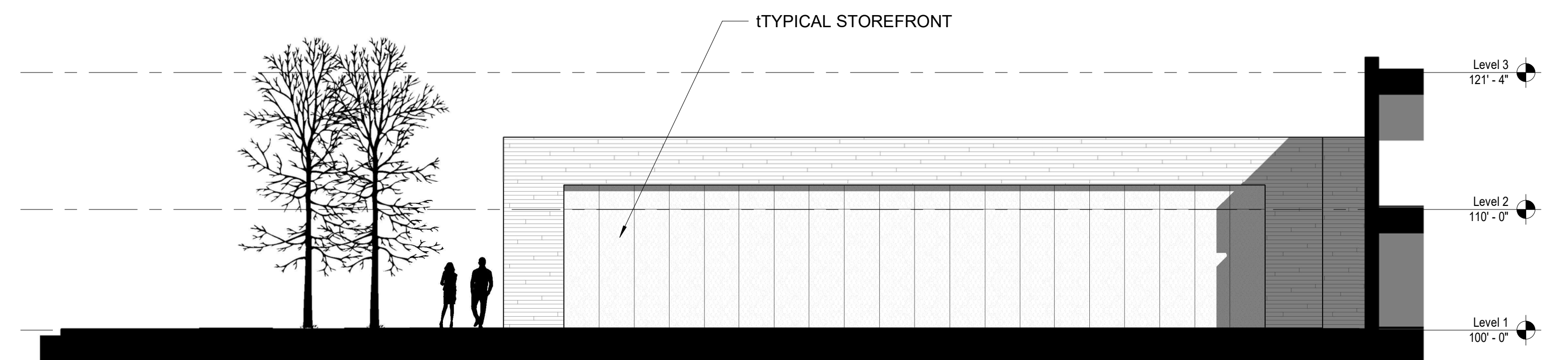
1 Elevation 3 - a
SCALE: 1/8" = 1'-0"



4 Elevation 1 - e
SCALE: 1/8" = 1'-0"



3 COMMERCIAL BUILDING - WEST ELEVATION
SCALE: 1/8" = 1'-0"



2 COMMERCIAL BUILDING - SOUTH ELEVATION
SCALE: 1/8" = 1'-0"

GC - SHEBOYGAN

ELEVATIONS-TOWNHOMES
SCALE: 1/8" = 1'-0"

Engberg Anderson Project No. 213331.00

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on amendment to the ground lease agreement requiring South Pier Family Investments to begin Phase 2 within 18 months of issuance of occupancy permit for Phase 1.

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

REPORT DATE: November 23, 2021 **MEETING DATE:** December 1, 2021

FISCAL SUMMARY:

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

STATUTORY REFERENCE:

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

BACKGROUND / ANALYSIS:

The Redevelopment Authority entered into a ground lease agreement with South Pier Family Investments on October 2, 2019. One of the stipulations of the agreement was that the developer was to start Phase 2 of the project within 18 months of the occupancy permit, the land for Phase 2 of the project should revert back to the Redevelopment Authority.

The developer has obtained all the necessary land use approvals and was getting prepared to obtain a building permit when a supplier said it would be 14 months to get concrete precast floors.

The attached amendment extends the start of the construction on Phase 2 to 30 months to deal with supply chain issues. City staff supports this change.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion to approve the First Amendment to the Ground Lease Agreement between Redevelopment Authority of the City of Sheboygan, Wisconsin and SP-Riverfront Condominium Owners Association, UA.

ATTACHMENTS:

I. First Amendment of Ground Lease

FIRST AMENDMENT OF GROUND LEASE

This First Amendment of Ground Lease (this "Amendment") is entered into by the Redevelopment Authority of the City of Sheboygan, Wisconsin, a public body corporate of the State of Wisconsin ("Landlord") and SP-Riverfront Condominium Owners Association, UA, a Wisconsin unincorporated association ("Tenant").

WHEREAS, Landlord and South Pier Family Investments Inc. entered into a Ground Lease dated October 2, 2019 (the "Lease") for the property described on **Exhibit A** attached hereto.

WHEREAS, South Pier Family Investments Inc. assigned its interest in the Lease to Tenant pursuant to an Assignment and Assumption Agreement dated October 29, 2019, as authorized by Section 10.01 of the Lease;

WHEREAS, Section 1.04 of the Lease provides in part that "[i]f the Tenant fails to obtain building permits for the second phase of construction within eighteen (18) months of issuance of an occupancy permit for Phase 1, the property east of said public utility easement shall revert back to the Landlord"; and

WHEREAS, the parties hereto wish to allow additional time for the tenant to obtain building permits for the second phase of construction.

NOW, THEREFORE, in exchange for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. The final paragraph of Section 1.04 of the Lease is hereby amended and restated to read as follows:

"The project envisioned by the Tenant encompasses construction over two phases. The first phase is being constructed to the west of the City public utility easement that crosses the premises. The second phase is being constructed to the east of the City public utility easement that crosses the premises. If the Tenant fails to obtain building permits for the second phase of construction within thirty (30) months of issuance of an occupancy permit for Phase 1, the property east of said public utility easement shall revert back to the Landlord. The Tenant shall take all steps necessary to document and effectuate said reversion, including signing an assignment of the property. Additionally, in case of such a reversion, the Tenant shall immediately upon request of the Landlord sign any documents necessary, including a joint access agreement, to insure that the Landlord has general, open, and equal access to use the driveway constructed on the property for access on to the property subject to reversion."

2. All other provisions of the Lease shall remain in full force and effect to the extent that they do not conflict with the provisions of this Amendment.

Entered into by the undersigned as of the date of the last signature set forth below.

**LANDLORD:
REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN**

By: _____
Roberta Filicky-Peneski, Chairperson

Attest: _____
Chad D. Pelishek, Executive Director

State of Wisconsin)
) ss.
County of Sheboygan)

On this ____ day of _____, 2021, before me personally appeared Roberta Filicky-Peneski and Chad D. Pelishek, respectively the Chairperson and Executive Director of the Redevelopment Authority of the City of Sheboygan, Wisconsin, who executed the foregoing First Amendment of Ground Lease and acknowledged before me the First Amendment of Ground Lease to be the free act and deed of said corporation.

Notary Public
Sheboygan County, Wisconsin
My commission is permanent

**TENANT:
SP-RIVERFRONT CONDOMINIUM OWNERS ASSOCIATION, UA**

By: _____
Toby Watson, President

State of Wisconsin)
) ss.
County of Sheboygan)

On this ____ day of _____, 2021, before me personally appeared Toby Watson, President of SP Riverfront Condominium Owners Association, UA, who executed the foregoing First Amendment of Ground Lease and acknowledged before me the First Amendment of Ground Lease to be the free act and deed of said association.

Notary Public
Sheboygan County, Wisconsin
My commission is permanent

This instrument was drafted by
Attorney Joshua McKinley
Olsen, Kloet, Gunderson & Conway
602 N. 6th Street
Sheboygan, WI 53081

WILLIAM T. STUART
ATTORNEY AT LAW
WTS@MTFN.COM

Process Server
Date: 10/8/21 Time: 10:28 am/pm
 Personal Substitute
 Posted Corporate

October 7, 2021

VIA HAND DELIVERY

Redevelopment Authority of the City of Sheboygan
c/o Chad Pelishek, Executive Director
828 Center Avenue, Suite 208
Sheboygan, Wisconsin 53081

VIA HAND DELIVERY

Redevelopment Authority of the City of Sheboygan
c/o Meredith DeBruin, City of Sheboygan City Clerk
828 Center Avenue, Suite 103
Sheboygan, Wisconsin 53081

RE: Sheboygan Acquisitions LLC and Sheboygan Resort Operator LLC Notice of Claim Pursuant to Wis. Stat. § 893.80(1d)(a) and Wis. Stat. § 893.80(1d)(b)

Dear Mr. Pelishek:

Please be advised that our office represents Sheboygan Resort Operator LLC d/b/a Blue Harbor Resort ("SRO"), and Sheboygan Acquisitions LLC ("SA") in connection with all matters relating to the Blue Harbor Resort Condominium Association, Inc. ("Association").¹

This letter serves as SRO's and SA's Notice of Circumstances and Notice of Claim to the Redevelopment Authority of the City of Sheboygan, a Wisconsin public body corporate (the "RDA"), providing notice of both the circumstances of SRO's and SA's claim against the RDA pursuant to Wis. Stat. § 893.80(1d)(a) and notice of that claim, including SRO's and SA's respective addresses and an itemized statement of relief, pursuant to Wis. Stat. § 893.80(1d)(b). SA's address is 1111 Willis Avenue, Wheeling, Illinois 60090. SRO's address is 725 Blue Harbor Dr., Sheboygan, Wisconsin 53081.

A number of disputes regarding the Condominium have arisen between the Association on the one hand and SRO and SA as owners of one or more Units in the Condominium on the other hand. One of those disputes involves the Association's failure to enforce the requirement contained in documents affecting the Condominium which prohibit any person from occupying any Unit in the Condominium for a period exceeding twenty-nine (29) consecutive days (the "29-Day Restriction"). The resolution of that dispute may involve matters upon which the RDA is entitled to be heard. The RDA is therefore likely to be made a party to any lawsuit involving the interpretation and enforceability of the 29-Day Restriction.

At this time SRO and SA anticipate that the RDA will only be named as an interested party in any lawsuit it files against the Association related to the interpretation of the 29-Day Restriction. To the extent the naming of the RDA as an interested party in any such lawsuit involving the interpretation and enforceability of the 29-Day Restriction triggers the notice requirements of Wis. Stat. § 893.80, this letter serves as such notice. This letter also serves as such notice in the event the RDA becomes involved in such lawsuit in any other capacity other than an interested party.

¹The Association is the association for the Blue Harbor Resort Condominium (the "Condominium"). The Condominium was created by that certain Declaration of Blue Harbor Resort Condominium dated June 24, 2004, and recorded in the Office of the Register of Deeds for Sheboygan County, Wisconsin (the "Register's Office") on June 29, 2004 as Document No. 1738057 as thereafter amended (the "Declaration"). Any capitalized term in this Notice that is not specifically defined in this Notice shall have the same meaning given to such term in the Declaration.

I. NOTICE OF CIRCUMSTANCES OF CLAIM

The Declaration and other documents prohibit any individual from continuously occupying any Unit in the Condominium for a period of more than 29-day consecutive days. On June 21, 2021, Unit 847 was sold to a new Unit Owner. It is SRO's and SA's understanding that the new owner of Unit 847 is using this Unit as her permanent residence and is continually occupying the Unit. Accordingly, it is SRO's and SA's understanding that the owner of Unit 847 continuously occupied Unit 847 for more than twenty-nine consecutive days in violation of the 29-Day Restriction, has continued to do so since that time, and intends to do so on a going forward basis.

SRO and SA have brought these matters to the Association's attention. The Association has not taken any actions to enforce the 29-Day Restriction, and it is SRO's and SA's understanding that the Association is not going to take any actions to do so. Furthermore, other Unit Owners are listing their Units for sale as owner-occupied units, demonstrating that this issue will not be isolated if it is not addressed now.

The following will explain the circumstances surrounding SRO's and SA's claim in more detail.

1. The Documents Creating the 29-Day Restriction.

The Declaration states that no individual may continuously occupy a Unit for a period exceeding 29 days. Section 12.1 of the Declaration states as follows:

Use. Declarant, each Unit Owner, and their respective agents, representatives, guests, tenants and invitees shall be subject to the use restrictions set forth in this Declaration and the Condominium Documents including, but not limited to, the Rules and Regulations as amended from time to time, which such restrictions include, without limitation, (i) the restriction imposed by the City's building code in effect on the date of this Declaration that no individual may continuously occupy a Unit for a period exceeding 29 days, and (ii) the restriction that the Building and Units are intended for and restricted exclusively to residential uses; provided, however, that Declarant reserves the right to use each of the unsold Units as a sample, model or sales office or management office for the Condominium.

A separate restriction on the continuous occupancy of a Unit beyond a 29-day period is also found in the South Pier District Restrictive Covenants And Cross Easement Agreement dated July 30, 2003 and recorded with the Register's Office on August 12, 2003 as Document No. 1701704, as amended by the First Amendment to South Pier District Restrictive Covenants and Cross Easement Agreement dated June 25, 2004 and recorded with the Register's Office on July 7, 2004 as Document No. 1739007 (the "Restrictive Covenant"). Section 6(h) of the Restrictive Covenant states as follows:

The condominium units have been constructed to comply with the City of Sheboygan's building codes applicable to transient lodging. In order to comply with the City of Sheboygan's building codes, no individual may continuously occupy any particular condominium unit for a period exceeding 29 days. Any use of a condominium unit for any purpose other than as transient lodging will violate the City of Sheboygan's building codes and the City of Sheboygan shall have all rights and remedies available to it in connection with such violation, including without limitation, the right to require the owner of any such unit to bring his/her/its condominium unit into compliance with all applicable building codes. The issuance by the City of Sheboygan of an occupancy permit for any condominium unit shall not be deemed to limit or restrict the City of Sheboygan's right to enforce its building codes and ordinances or

its right to require any condominium unit owner to comply with such building codes and ordinances.

The RDA is a party to the Restrictive Covenant.

Each Unit Owner in the Condominium is expressly bound to the terms of the Restrictive Covenant. Section 7.8 of the Declaration states: "By acceptance of a deed of conveyance, each Unit Owner agrees to abide by the terms, conditions, restrictions, covenants and easements set forth in the Restrictive Covenants and Cross Easement Agreement." Section 1.1(ii) of the Declaration defines the "Restrictive Covenants and Cross Easement Agreement" to mean the "South Pier District Restrictive Covenants and Cross Easement Agreement dated as of July 30, 2003, . . . as the same may be amended, modified or supplemented from time to time." Furthermore, Section 1.1(r) of the Declaration defines "Condominium Documents" to include both of the Declaration and the Restrictive Covenants and Cross Easement Agreement as defined above, and Section 19.1 of the Declaration provides that by accepting "a deed of conveyance, each Unit Owner agrees to abide by the terms, conditions, restrictions, agreements, obligations, covenants and easements set forth in the Condominium Documents." Thus, each Unit in the Condominium is subject to a restriction prohibiting an individual from continuously occupying such Unit for a period exceeding 29 days.

2. Documents in the City of Sheboygan's File Applicable to the Condominium.

On August 25, 2021, our firm delivered a public records request to the City of Sheboygan (the "City") pursuant to Wis. Stat. § 19.35 asking for various documents relating to the development of the Condominium (the "Public Records Request"). The City responded to the Public Records Request (and our additional follow-up requests) on various dates between August 27, 2021 and September 14, 2021.

As part of the City's responses to the Public Records Request, it provided copies of the Building Permits issued by the City for the sixteen (16) buildings in the Condominium. In each of those Building Permits, the following language was contained within the "Description/Remark" portion of those documents:

STATE APPROVED PLAN—TRANSACTION ID 886098 &
SITE ID 656660—RESIDENTIAL TYPE VB COMBUSTIBLE
UNPROTECTED CLASS OF CONSTRUCTION; NEW PLAN 6,920
SQ. FT. OCCUPANCY: R-1 TRANSIENT RESIDENTIAL.
ONE OF 16 CONDO UNITS²

Thus, each of the Building Permits issued by the City state that the Condominium was to be constructed for an R-1 Transient Residential occupancy. Other documents in the City's responses to the Public Records Request support the conclusion that the Condominium was to be built for an "R-1 Transient Residential" occupancy. These documents include the following:

- a. Letter dated July 21, 2003 from the Division of Safety & Buildings for the Department of State of Wisconsin ("Department") to Architectural Design Consultants Inc. ("ADC") This letter relates to the approval of the Condominium by the State of Wisconsin. The letter describes the Condominium project as an "Occupancy: R-1 Transient Residential".

² In four of the Building Permits, the clause states as follows: "SQ. FT. OCCUPANCY: 4-1 Transient Residential." The "4" appears to be a typographical error.

- b. Letter dated March 30, 2004 from the Department to ADC. Again, this letter relates to the approval of the Condominium by the State of Wisconsin and describes the Condominium project as an "Occupancy: R-1 Transient Residential".
- c. ADC Preliminary Plans dated February 16, 2003 states as follows: "The Blue Harbor Resort Condominiums development includes 16 buildings containing four rental units per building."

Three requests in the Public Records Request asked for copies of the City of Sheboygan's building code that was in effect on July 30, 2003, June 24, 2004 and June 25, 2004, including but not limited to any provisions in the City of Sheboygan's building code in effect on those dates that restricted individuals from continuously occupying any structures within the City of Sheboygan for a time period exceeding 29 days. In response to those three requests, the City made a binder available to us which contained the 2002 Wisconsin Enrolled Commercial Building Code (the "2002 Building Code"). Section 310.1 of the 2002 Building Code states in part as follows:

310.1 Residential Group R. Residential Group R occupancy includes, among others, the use of a building or structure, or a portion thereof, for sleeping accommodations when not classed as an Institutional Group I. Residential occupancies shall include the following:

R-1 Residential occupancies where the occupants are primarily transient in nature (less than 30 days) including:
Boarding houses (transient)
Hotels (including motels)

.....

When read together, the documents set forth above make clear that (i) the Condominium was approved for an R-1 Transient Residential occupancy and (ii) according to Section 310.1 of the City of Sheboygan Building Code in effect on July 30, 2003, June 24, 2004, and June 25, 2004, as represented by the City, R-1 Residential occupancies were defined to be transient occupancies for less than 30 days. Thus, the 29-Day Restriction in the Declaration and the Restrictive Covenant operate to ensure the requirements of the R-1 definition in the 2002 Building Code were met (i.e., the occupancy of any Unit would be less than 30 days).

For purposes of Section 12.1 of the Declaration, there was clearly a restriction imposed by the City's building code in effect on June 24, 2004, and June 29, 2004 (the dates the Declaration was respectively signed and recorded) that no individual may continuously occupy a Unit for a period exceeding 29 days. These facts also provide further context for the provisions in Section 7 of the Restrictive Covenants.

3. Violation of the 29-Day Restriction.

As noted above, SRO and SA believe that at least one Unit Owner in the Condominium is currently occupying her Unit for non-transient purposes in continuous violation of the 29-Day Restriction. Moreover, SRO and SA understand that other Unit Owners are attempting to sell their Units and marketing the sale as being for non-transient purposes (i.e., for continuous owner-occupancy). The Association has not taken any actions to enforce the 29-Day Restriction and apparently has taken the position that the 29-Day Restriction

October 7, 2021

Page 5

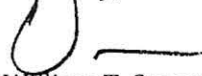
does not apply to any Units in the Condominium. SRO and SA therefore contend that the Association is failing and refusing to enforce the 29-Day Restriction in the Declaration and Restrictive Covenant.

II. Legal Action and Notice of Claim.

SRO and SA intend to pursue a legal action against the Association seeking a declaration that the 29-Day Restriction is enforceable and prevents any Unit Owner in the Condominium, or any other individual, from continuously occupying a Condominium Unit for a period exceeding 29 days. SRO and SA may name the RDA as an interested party in that lawsuit on the basis that its rights may be affected as a party to the Restrictive Covenant and/or that it may otherwise be entitled to be heard on the issues in the case. *See Wis. Stat. § 806.04(11)*. It will be the RDA's prerogative whether it chooses to be heard on any issues in that lawsuit, including but not limited to the RDA's purported waiver of the Restrictive Covenant, which SRO and SA contend does not alleviate the Condominium's obligation to comply with the 29-Day Restriction for multiple reasons. SRO and SA are not currently anticipating that either of them will seek any affirmative relief from the RDA in this anticipated lawsuit. If, however, the 29-Day Restriction is deemed to be unenforceable as a result of any actions or omissions by the RDA, SRO and SA reserve the right to pursue the RDA for any such failures at a later time.

We have also served this Notice on Ms. DeBruin as we understand she is the only person who would be considered the clerk or person who performs the duties of the clerk or secretary for the RDA. If this is incorrect, and there is a separate individual that fills this role, please let us know immediately. Otherwise, if you have any questions, please contact me.

Sincerely,



William T. Stuart
State Bar No. 1023839
111 E. Kilbourn Avenue, 19th Floor,
Milwaukee, Wisconsin 53202

Cc: Charles Adams, City Attorney