

CITY OF MILWAUKEE - OFFER TO PURCHASE
Commercial Improved Property

The Buyer, _____ ("Buyer"), offers to purchase from the City of Milwaukee ("Seller") all of the Seller's right, title, and interest in the property at _____, Milwaukee, Wisconsin ("Property") on the terms and conditions contained herein (the "Offer"). For the purposes of Seller decisions and actions under this Offer, Seller shall act through its Real Estate Office of the Department of City Development ("DCD").

1. **Purchase Price.** Buyer offers to purchase the Property for \$_____ and No/100ths Dollars ("Purchase Price") to be paid by Buyer to Seller by cashier's check at time of Closing (hereafter defined), less a credit for Earnest Money and subject to customary prorations and deductions pursuant Section 17 ("Net Price"). Seller may request that Buyer allocate the Net Price to Seller expenses as outlined on Seller's closing statement.

2. **Proposed Use & Estimated Costs.** Buyer is purchasing the Property for use as _____. Buyer estimates construction/rehabilitation costs will be \$ _____ ("Estimated Costs"). Buyer agrees to make Best Efforts to comply with City of Milwaukee Emerging Business Enterprise ("EBE") program for EBE participation of 25% or more of Estimated Costs.

3. **Broker Commission.** At Closing, Seller agrees to pay the licensed real estate broker identified below ("Broker") a commission of \$_____ (7% of the Purchase Price or \$3,000, whichever is greater). Seller will not pay any broker commission if Buyer and Broker are same or related in any manner. Seller has not retained any broker concerning the Property or this transaction and no brokerage arrangement or contract exists between Seller and the Broker. Buyer has retained Broker as the sole-broker concerning this transaction. At Closing, Buyer will sign an affidavit regarding brokers consistent with this paragraph.

Broker: _____ (Name and Firm)

4. **Earnest Money.** Buyer hereby submits with this Offer "Earnest Money" of \$_____ (\$1,000 or 5% of Purchase Price whichever is greater) to be held by Broker in Broker's Good Faith Trust Account (with copy to Seller) or held by Seller if no broker is identified in Section 3. The Earnest Money shall be credited toward the Purchase Price at Closing or disbursed as otherwise provided herein. Earnest Money is nonrefundable except as expressly provided herein.

5. **Buyer Identification and Disclosures.**

Buyer is and will take title as (check one):

- | | | | |
|--|--|--|--|
| <input type="checkbox"/> Single person | <input type="checkbox"/> Married Persons | <input type="checkbox"/> Joint Tenants | <input type="checkbox"/> Tenants in Common |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership | <input type="checkbox"/> LLC | <input type="checkbox"/> other _____ |

Identify corporate officers, partnership or LLC members: _____

Buyer certifies that Buyer, and every owner, member, shareholder and partner of Buyer, directly or indirectly, is now and will at Closing be in compliance with the following "General Buyer Policies" pursuant to Section 304-49-8, Milwaukee Code of Ordinances:

- Not delinquent in the payment of any property tax (real and personal property), special assessment, special charge or special tax to the City of Milwaukee.
- Not a party against whom the City has an outstanding judgment.
- Not have outstanding building or health code violations or orders from the City's Health Department or Department of Neighborhood Services that are not actively being abated.
- Not a party who has been convicted of violating an order of the Health Department or Department of Neighborhood Services within the past year.
- Not been convicted of a felony that causes neighborhood or community concerns with respect to neighborhood stability, health, safety or welfare.
- Not subject to a property tax foreclosure by the City within the past five years.

Seller will reject Offers from parties that violate the General Buyer Policies and Seller may terminate an accepted Offer if such conditions exist at any time after acceptance of this Offer or at Closing.

Seller may reject an Offer from parties with outstanding City of Milwaukee offers or recently purchased property from City where improvements or renovations have not been completed.

Buyer certifies that Buyer:

- has has no outstanding accepted Offers to Purchase with City
 has has not acquired other property from City for which all required rehabilitation, repair, improvement or development has not been completed

Buyer certifies that Buyer is is not an employee of the City of Milwaukee, Redevelopment Authority of the City of Milwaukee ("RACM"), Housing Authority of the City of Milwaukee ("HACM"), Milwaukee Economic Development Corporation or Neighborhood Improvement Development Corporation ("NIDC") (collectively "City Agency"). If employed by City Agency, identify the City Agency and department: _____
Employees of DCD, RACM or NIDC must complete and submit with the Offer a DCD Conflict of Interest Form that has been signed by the employee's supervisor and DCD Commissioner.

- 7. Acceptance.** This Offer is contingent upon approval by the Common Council of the City of Milwaukee including approval of the Council file by the Mayor. This Offer becomes binding on both parties upon signature of the Commissioner of DCD or designee ("Effective Date"). Seller shall, if it signs and accepts, provide a fully signed copy of the Offer to Buyer through broker identified in Section 3 or directly to Buyer if no broker is identified in Section 3. Buyer may withdraw the Offer at any time prior to delivery of the Seller's acceptance signature by sending a written notice of withdrawal to Seller. In the case of timely and proper Buyer withdrawal, Earnest Money shall be returned to Buyer by Broker.
- 8. Offer Term.** The Offer shall commence on the Effective Date and be in effect for a period of 90 days ("Expiration Date"). Buyer must satisfy all Seller Contingencies in Section 9 and Buyer Contingencies in Section 10 and close on or before the Expiration Date. Buyer may request an extension of the Expiration Date for a period not to exceed 45 days. Such request must be in writing, specify the reasons therefore and include a \$500.00 check payable to Seller ("Extension Fee"). The Extension Fee is nonrefundable, shall not be credited against the Purchase Price and becomes Seller's absolutely if Seller agrees to the extension. The Expiration Date may be extended only by a written document signed by both Seller and Buyer. Seller's decision to extend being in Seller's sole discretion and with Seller having no duty to extend. The Expiration Date may only be extended once and any extension may not exceed 45 days.
- 9. Seller Contingencies.** This Offer, and Seller's duty to Close, are subject to Buyer satisfying the following "Seller Contingencies": a) submitting evidence to Seller and meeting Seller's approval on or before Closing of Buyer's equity and/or firm financing without contingencies in an amount equal to the Net Price plus the Estimated Costs; and b) Buyer, at Closing, being in compliance with the General Buyer Policies. If at Closing, Buyer has not met and satisfied the Seller Contingencies, Seller may declare this Offer null and void, in which case, Seller shall have no duty to Close and Seller may retain all Earnest Money and Extension Fee.
- 10. Buyer Contingencies.** This Offer is contingent upon the following items (collectively "Buyer Contingencies"):
- Financing Contingency: This Offer is contingent upon Buyer being able to obtain:
- first mortgage loan commitment
 - rehabilitation/construction loan commitment
- within ___ days of the Effective Date ("Financing Deadline") for a combined amount not less than \$_____ for a term of not less than ___ years with an initial interest rate not to exceed _____% per annum with monthly payment not to exceed \$_____ for principal and interest.

Buyer agrees to pay all customary financing costs (including closing costs), to apply for financing promptly and to provide evidence of application promptly upon Seller request. If, despite Buyer good faith efforts, Buyer is not able to obtain financing on the above terms (or other terms reasonably acceptable to Buyer), Buyer shall promptly, and on or before the Financing Deadline, deliver written notice to Seller of same including copies of lender(s) rejection letters or other evidence of unavailability. If Buyer's notice is timely given, this Offer shall be null and void, but Seller shall retain the Earnest Money and any Extension Fee.

Inspection Contingency. This Offer is contingent upon Buyer conducting at Buyer's sole expense an inspection and/or testing or sampling for _____, which work must be conducted by an individual or entity approved by Seller in writing and must be in strict conformance with a Scope of Work approved by Seller in writing prior to entry.

Buyer shall indemnify and hold harmless Seller concerning any lien rights associated with Buyer's entry rights and with costs associated with Buyer's entry. At or before Closing, Buyer will sign an affidavit regarding lien rights consistent with this paragraph indicating Buyer has fully paid for the inspection, testing or sampling and will produce a lien waiver from the person or entity conducting the inspection, testing or sampling. Buyer must, at Buyer's expense, repair any damage caused by or attributable to the entry, investigation, testing or sampling.

Buyer is solely responsible for, and shall indemnify and hold harmless Seller against, any loss, cost, damage, or injury to person or property, concerning Buyer's (or anyone claiming by, through, or under Buyer) entry onto the Property. Such entry is at Buyer's sole risk. Prior to entry, Buyer shall provide to Seller evidence of insurance maintained by Buyer or its representative meeting Seller's approval.

This contingency shall be deemed satisfied unless Buyer, within 20 days of the Effective Date ("Inspection Deadline"), delivers to Seller a copy of the inspection report(s) and a written notice listing the defect(s) identified in the inspection report(s) to which Buyer objects. A defect is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property or that would significantly impair the health and safety of future occupants of the Property, or that if not repaired, removed or replaced would significantly shorten or have a significant adverse effect on the expected normal life of the Property. Defects do not include conditions identified by Seller prior to the Effective Date or that the nature of which Buyer had actual knowledge or written notice of before signing the Offer. If Buyer provides Seller written notice of defects and unacceptable inspection, test, or sampling results on or before the Inspection Deadline, this Offer shall be null and void and the Earnest Money shall be returned to Buyer by Broker or Seller.

- 11. Property Condition, AS-IS.** Seller shall convey the Property to Buyer at Closing in "AS-IS, WHERE-IS" condition, with no warranties or representations, express or implied, and with all faults and defects, known or unknown. Such provisions shall bar all tort, warranty, and misrepresentation claims – including any action based on non-disclosure.

Any scope of work, cost estimates, or Property data or information (including a Phase I environmental site assessment or a Historic Land Use Investigation), provided by Seller to Buyer are for informational purposes only (Seller does not warrant the content or conclusions of same), and do not change the "AS-IS, WHERE-IS" nature of the transaction.

Seller has provided and Buyer acknowledges receipt of a Historical Land Use Investigation ("HLUI") for the Property. Seller has not conducted and shall not provide a Phase I Environmental Site Assessment, or investigation of the structural condition of the improvements, or survey of any encroachments or easement, or investigation of the bearing capacity of the subsoil. The Property may contain lead-based paint, asbestos and underground storage tanks. Buyer is solely responsible for obtaining any Property investigation at Buyer's sole expense. Buyer acknowledges that Seller has no disclosure requirements, as Wis. Stat. Ch. 709 does not apply to this transaction.

Buyer shall rely on Buyer's own due diligence and independent investigation and inspection (if any), and shall not rely upon any oral or written statement or representation of Seller or any employee or agent or contractor of Seller or the City of Milwaukee.

- 12. Closing.** Closing on this transaction ("Closing") shall take place at the offices of the DCD's Real Estate Office at 809 North Broadway, 2nd Floor, Milwaukee, Wisconsin, or at a title company, or other mutually acceptable place, at a mutually acceptable time and date that will be on or before the Expiration Date provided Buyer has satisfied the Seller Contingencies and the Buyer Contingencies.

- 13. Performance Obligation.** Buyer shall rehabilitate and/or construct improvements to correct all City building and health code violations that exist against the Property as of the date of Closing, if any, and any improvements required or contemplated by Buyer's Estimated Costs in Section 2 of this Offer. Promptly after Closing, Buyer shall apply to the DCD Development Center for a Certificate of Occupancy and bring the

Property into compliance with the City of Milwaukee Health and Building Codes within ninety days (90) following the date of the Deed, or other time period specified by the DCD Development Center provided such date is not later than six months following the date of the Deed. Buyer shall pay all fees for the Certificate of Occupancy. The Deed shall contain a restrictive covenant concerning this performance obligation (see sample deed on DCD website).

- 14. Deed; AS-IS Sale; Restrictions.** Upon delivery of the Net Price by Buyer, Seller shall convey the Property to Buyer by Quit-Claim Deed ("Deed"), in form and substance to the sample provided on DCD's website at www.milwaukee.gov/realestate/link, "AS-IS" per section 11 and subject to the restrictions and covenants in the deed sample, including a requirement for Buyer to obtain a Certificate of Occupancy pursuant to Section 13, a prohibition for application for a property tax exemption, and subject to Seller's Reversionary Right for violation of the performance obligation.
- 15. Title Insurance.** Seller shall provide Buyer with a title insurance commitment for the Property issued by a title insurance company chosen by Seller in the amount of the Purchase Price if the Purchase price is greater than \$5,000. Seller shall pay the base cost of title insurance at Closing. Buyer shall be responsible for the cost of any title insurance endorsement (whether a gap or other endorsement) and the cost of any title updates incurred after the effective date of the initial commitment provided to Buyer. Provision of title insurance shall not change the "AS-IS, WHERE-IS," "no warranty or representation" nature of this transaction. If the Purchase Price is less than \$5,000, Seller shall have no duty to provide any title insurance or title insurance commitment to Buyer.
- 16. Legal Possession; Occupancy.** Legal possession and occupancy of the Property shall be delivered to Buyer at Closing subject to the terms and conditions contained herein. Occupancy is subject to the rights of tenants in possession, if any.
- 17. Proration.** Property taxes and utility bills, if any, shall be pro-rated to the date of Closing. Seller shall be responsible only for special assessments and special charges levied and outstanding as of the Effective Date. Special assessments and special charges that are Seller's responsibility, but that have not been billed or paid, may be deducted from the Purchase Price at Closing and paid by Buyer when due. If the Purchase Price is inadequate to pay such special assessments and special charges that are Seller's responsibility, Seller shall pay such special assessment and special charges when due. Buyer is responsible for all other special assessments and special charges. Rent, if any, shall be prorated to the date of Closing. Unless otherwise disclosed to Buyer, Seller holds no security deposit concerning any tenant now or formerly occupying the Property.
- 18. Energy Efficiency.** Sale of improved properties containing residential rental units may be subject to the Wisconsin Department of Commerce "Rental Unit Energy Efficiency Standards," Wis. Admin. Code Ch. 67, and Wis. Stat. § 101.122. Buyer is responsible for all costs, expenses and fees for complying with this program and will execute required applications at Closing.
- 19. Transfer Fee and Return.** No real-estate-transfer fee shall be due at closing pursuant to § 77.25 (2), Wis. Stats, and no real-estate-transfer return shall be required pursuant to the exemption under § 77.255, Wis. Stats.
- 20. Recording Deed.** Promptly after Closing, the Deed shall be recorded by the Seller or other party acceptable to Seller, such as a title company, as required by Milwaukee Code of Ordinances § 304-49-10. Buyer shall be responsible for recording fees and charges and shall provide Seller a check at Closing for recording charges as directed on the Closing Statement.
- 21. DNS Property Recording.** The Property shall be registered promptly after Closing with the City Department of Neighborhood Services (DNS). At Closing, Buyer shall execute the DNS Property Recording Form and shall provide Seller with a check for the required fee as shown on the Closing Statement.
- 22. Personal Property.** To the extent any personal property exists at the Property on the date of Closing that does not belong to tenants (if any) of the Property, Buyer shall be responsible for such personal property, and indemnify and hold harmless Seller concerning claims or expenses associated with such personal property. Buyer understands Seller acquired the subject real Property by property-tax foreclosure under Wis. Stat. § 75.521, but not the personal property.

- 23. Successors and Assigns.** Once this Offer is accepted by Seller, this Offer binds and inures to the benefit of the parties hereto and their successors and assigns. Buyer may not assign any rights, or obligations under this Offer without the written consent of Seller.
- 24. Facsimile and Counterparts.** This Offer may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile signatures shall be accepted as originals.
- 25. Entire Agreement.** This Offer constitutes the entire agreement between the parties and all prior statements, written or oral, are terminated and of no effect. This Offer may only be amended by a written agreement signed by all the parties hereto.
- 26. Severable.** The terms and provisions of this Offer are deemed severable such that the invalidity or unenforceability of any term or provision shall not affect or impair the validity or enforceability of the remaining terms and provisions.
- 27. Survival.** The terms, provisions, and agreements herein shall survive Closing and delivery and recording of the Deed.
- 28. Notices.** All notices permitted or required hereunder shall be considered given **(i)** upon receipt if hand-delivered by commercial courier or otherwise personally delivered, **(ii)** if sent by facsimile or by email, then the notice must be sent during business hours (i.e. 8:30 A.M to 4:30 P.M., Monday through Friday) on days that Seller's City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or busy or inability to send notification), and **(iii)** within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

IF TO SELLER:

Matt Haessly
 Department of City Development
 809 North Broadway, 2nd Floor
 Milwaukee, WI 53201-0324
 Phone: 414-286-5730
 Fax: 414-286-0395
 Email: mhaess@milwaukee.gov

IF TO BUYER:

Name _____
 Address _____
 Phone: (____) _____
 Fax (____) _____
 Email: _____

With Copy to Broker:

Name _____
 Firm _____
 Address _____
 Phone: (____) _____
 FAX (____) _____
 Email: _____

- 29. Remedies.** Except as otherwise provided herein, in the event of breach of this Offer, the non-breaching party shall have all rights and remedies available at law and in equity against the breaching party. In the event of breach by Buyer, Seller may elect to retain the Earnest Money as liquidated damages or as partial offset against damages otherwise occasioned by the breach – which, in the latter case, Seller may bring suit for remaining damages. Seller retains all rights, including all rights under Wis. Stat. § 893.80.
- 30. Waiver; MCO § 308-22-2-g.** This Offer is deemed the “waiver” by Buyer required by Milwaukee Code of Ordinances § 308-22-2-g requiring the Buyer to hold the City of Milwaukee harmless from any undetected or unknown environmental hazard that may be present in or on the Property. In the event of Closing and delivery of the Deed pursuant hereto, Buyer agrees to abide by, and be bound by, § 308-22-2-g.

Special Conditions: Addendum is is not attached.

IN WITNESS WHEREOF, Buyer enters and extends this Offer to Seller as of the date written below.

BUYER:

Date of Buyer's Offer _____

(x) _____

x) _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Social Security Number or FEIN: _____

Social Security Number or FEIN: _____

ACCEPTANCE BY CITY OF MILWAUKEE

By: _____

Name Elaine M. Miller

Title: Special Deputy Commissioner, Department of City Development

Date Accepted ("Effective Date"): _____

Transmitted to Buyer: _____

Expiration Date (90 Days from Effective Date) or _____

Revised 03/11/2011