

**COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION**

DATE: July 12, 2010

TO: Supervisor Theodore Lipscomb, Vice Chairman, Committee on Economic and Community Development

FROM: Geri Lyday, Interim Director, Department of Health and Human Services
Prepared by: Tim Russell, Administrator, Housing Division

SUBJECT: INFORMATIONAL REPORT FROM THE INTERIM DIRECTOR OF HEALTH AND HUMAN SERVICES REGARDING THE STATUS OF THE VARIOUS HOUSING DIVISION FUNDS

Issue

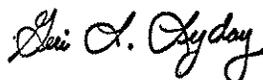
An informational report was requested providing detail relative to funds provided through various divisional programs, including Homebuyer Assistance Program, Home Repair Programs, etc.

The attached pages contain information broken out by program and, where necessary, funding source. The detail in the report is through July 9, 2010.

Recommendation

This is an informational report. No action is necessary.

Respectfully Submitted:



Gerri Lyday, Interim Director
Department of Health and Human Services

attachment

cc: County Executive Scott Walker
Cynthia Archer, Director, DAS
Antionette Bailey-Thomas, Analyst - DAS
Glenn Bultman, Analyst - County Board
Linda Durham, Committee Clerk - County Board

	Allocated/ Carryover	Program Income 5/1/2010	Committed	In Process	Program Delivery	Available	Anticipated 2010 Funds
Source: CDBG							
Emergency	110,989	12,940	31,865	3,500	50,000	38,564	0
Suburban	202,140	11,935	43,680	0	30,000	140,395	0
Architectural Barrier Removal Grants	16,418	0	5,806	0	8,000	2,612	40,000
Child Day Care Capital Loan Fund	100,953	0	0	0	0	100,953	0
Community Programs							
Cudahy	26,731	880	25,611	0	2,000	0	0
Glendale	66,585	300	66,585	0	unknown	0	0
Greenfield	5,625	3,065	5,625	0	unknown	0	0
Oak Creek	158,678	250	158,678	0	unknown	0	0
South Milwaukee	11,872	900	11,872	0	unknown	0	0
West Milwaukee	14,046	0	14,046	0	unknown	0	0
Source: Levy							
County-wide	164,871	26,501	52,510	59,000	50,000	29,862	0
HOLF	100,000	0	0	0	0	100,000	0
Source: HOME							
Home Repair	663,202		434,568	72,000	145,000	11,634	443,680
Deferred Home Repair	247,000		45,000	0	60,000	142,000	150,000
First Time Homebuyer	43,302		43,302	0	0	0	50,000
Wauwatosa HOME	98,310		71,541	48,000		-21,231	72,900
West Allis HOME	720,105		720,105			0	296,900
CHDO Set Aside	44,232		0	0	0	44,232	195,300
Administration (Combined)	246,875		163,368	83,507	0	0	93,220
							1,302,000
HOME Program Income							
Cedar Glen		550,000	550,000	0	0	0	0
Home Repair		193,254	173,254	0	20,000	0	0
First Time Homebuyer		135,620	84,570	0	2,000	49,050	0

Notes: There is an appropriation of \$100,000 that was passed by the County Board 4/22/10 that has not yet been acted on by County Executive that is not reflected above.
The above numbers assume that carry-over requests are approved as submitted by the Department.
The Child Day Care Capital Loan Fund may include an unprocessed fund transfers of \$65,000.

7/13/10

	Allocated/ Carryover	Spent YTD	Committed	Encumbered	Available

Source: CDBG Allocation					
2010 Allocation	1,868,525				124,000
Prior Years Reserve	105,391				
2010 Admin, Planning & Fair Housing			351,783		
2010 Countywide Projects			720,000		
2010 Municipal Projects			700,100		
Prior Years Municipal Projects			73,033		
Reserve for Unexpected Needs			5,000		

Note: The available balance is split between Countywide projects and municipal projects, thus \$62,000 would be available for allocation to Countywide projects

	Allocated/ Carryover	Spent YTD	Committed	Encumbered	Available
Source: HUD Allocation					
Housing Choice Voucher Program	11,896,701	7,439,752	4,456,949		0
Source: Grants					
Safe Haven Program	644,472	225,805		194,115	224,552
Shelter Plus Care	2,959,956	1,570,891	1,389,065		0
Source: Tax Levy					
Special Needs Service Contracts	816,670				51,549
Community Advocates		\$73,750		\$73,750	
Guest House of Milwaukee, Inc.		\$28,593		\$20,407	
Mercy House Lakefront		\$12,290		\$84,852	
Our Space, Inc.		\$119,790		\$87,344	
Social Rehabilitation		\$50,792		\$36,280	
Transitional Living Services		\$103,409		\$73,864	
				376,497	
Source: Levy					
Economic Development Fund	100,525	0	85,000	0	15,525
Brownfield Grant Fund	18,610	0	0	0	18,610
Source: State Trust Fund Loans					
	Outstanding Loans	Grants	Committed		
Special Needs Housing Projects	3,000,000	2,032,994	875,000		92,006

COUNTY OF MILWAUKEE
Housing Division
Department of Health & Human Services
INTER-OFFICE COMMUNICATION

2

DATE: July 6, 2010

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board

FROM: Geri Lyday, Interim Director, DHHS
Prepared by: James Mathy, Special Needs Housing Manager - Housing Division

SUBJECT: FROM THE INTERIM DIRECTOR, DHHS, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$650,000 OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS BALANCE POINT APARTMENTS

Policy Issue

County Board approval is required to expend funds from the Milwaukee County Consortium's Neighborhood Stabilization Program (NSP). The Interim Director requests County Board approval to allocate \$650,000 from the program to Stay In Balance for the partial financing of the supportive housing development at 1515 North Farwell Avenue.

Background

The Neighborhood Stabilization Program provides assistance to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The program was authorized under Title III of the Housing and Economic Recovery Act of 2008. The U.S. Department of Housing and Urban Development is treating Neighborhood Stabilization Program funds as a special fiscal 2008 CDBG funding allocation. Neighborhood Stabilization funds can be used to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and property values.

The Wisconsin Department of Commerce awarded the Milwaukee County Consortium \$1,997,556 in recouped Neighborhood Stabilization Program (NSP) dollars in February 2010. The Consortium is made up of the City of Milwaukee (managing member), Milwaukee County and the cities of West Allis and Cudahy. The funds were awarded upon a successful application from the Consortium to the Department of Commerce. The funds were recouped by the Department of Commerce from other counties who did not find eligible projects for NSP during the previous round of funding.

The Milwaukee County Consortium must ensure that 30% of the funds assist households with incomes not to exceed 50% of county median income, adjusted for family

size. The Milwaukee County Housing Division is proposing to use \$650,000 of NSP acquisition dollars for Stay In Balance to create 18 units of supportive housing at 1515 North Farwell Avenue. Stay In Balance will sign a development agreement with the Housing Division and commit to leasing all units for individuals at or below 30% of median income. The funds would be allocated to Milwaukee County under a sub-recipient contract with the City of Milwaukee, the managing member of the Consortium. All members of the Consortium are in support of this allocation. Stay In Balance has an accepted offer to purchase the building pending authorization of NSP funds. Other proposed uses of the recouped funds are as follows:

- Acquisition/Rehabilitation/Rental - City of Cudahy \$350,000 (completed)
- Acquisition/Rehabilitation/Rental - City of West Allis \$803,192
- Demolition – City of West Allis \$45,000

The balance of the \$1,997,556 - \$149,364 - will be utilized for administration by the City of Milwaukee.

Stay In Balance, a non-profit organization, has offered mental health support in Waukesha for the past five years. Its founder, Mr. Chris Della, has run weekly support groups in Waukesha with assistance from the National Alliance for the Mentally Ill. These groups guide consumers and their family members to better understand mental illness and to help consumers achieve recovery.

Stay In Balance will be offering on-site support services, with a focus on peer support. Mr. Della is also interested in beginning an employment training program for consumers as this is desperately needed in the recovery process. Milwaukee County will not be directly funding these services. Stay In Balance will be responsible to fund the services through income received from rents, as well as, grant opportunities.

Mr. Della also has experience with affordable housing, most recently employed at Real Estate Equities. Real Estate Equities (REE) is a Twin Cities based firm with over thirty years experience in multi-family based housing. REE has developed, owned, and operated more than 90 unique housing projects comprising of more than 10,000 units. Mr. Della was responsible for acquiring sites for development, managing of projects, and building relationships with communities.

Mr. Della has worked in the construction industry for more than twenty years managing projects from inception to completion. He graduated with degrees in Civil Engineering and Business Management. Prior to his employment with Real Estate Equities, he worked with RP Land Acquisition Company and We Energies as an Operations Manager. At Real Estate Equities, Mr. Della was responsible for acquiring sites for development, managing projects, and building relationships with communities.

Recommendation

The Department of Health and Human Services recommends the County Board approve an allocation of \$650,000 from the Milwaukee County Consortium's NSP funds to Stay In Balance to support the development of this project. The actual allocation of funds from NSP will occur when the developer has a finalized development agreement with Milwaukee County.

It is further recommended that the Interim Director, DHHS, or designee be authorized to negotiate and execute an agreement with the developer to ensure compliance with the terms and conditions governing the use of NSP monies and to accomplish such other objectives as will best serve Milwaukee County and its clients.

Respectfully Submitted,



Geri Lyday, Interim Director
Department of Health and Human Services

cc: Scott Walker, County Executive
Cindy Archer, Director – DAS
Theodore Lipscomb – Vice Chair – Economic & Community Development
Steve Kreklow, Fiscal & Budget Administrator – DAS
Antionette Thomas-Bailey – DAS
Glenn Bultman – County Board Staff
Jennifer Collins – County Board Staff
Linda Durham, County Board Committee Clerk

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FROM THE INTERIM DIRECTOR REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$650,000 OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS BALANCE POINT APARTMENTS

A RESOLUTION

WHEREAS, the Neighborhood Stabilization Program was authorized under Title III of the Housing and Economic Recovery Act of 2008 to assist in acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight within their communities; and,

WHEREAS, the Wisconsin Department of Commerce awarded the Milwaukee County Consortium \$1,997,556 in recouped Neighborhood Stabilization Program (NSP) dollars in February 2010; and,

WHEREAS, the members of the Milwaukee County NSP Consortium voted in favor of allocating funds for supportive housing; and,

WHEREAS, approval of this resolution will provide the funding necessary to provide eighteen new units of permanent supportive housing for Milwaukee County consumers; now, therefore,

BE IT RESOLVED, that the Interim Director, Department of Health and Human Services, or designee, is hereby authorized to allocate \$650,000 of Neighborhood Stabilization Program funds to Stay In Balance for the development of Balance Point Apartments.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 6/29/10

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: FROM THE INTERIM DIRECTOR, DHHS, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$650,000 OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS BALANCE POINT APARTMENTS

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input checked="" type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	650,000	0
	Revenue	650,000	0
	Net Cost	0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

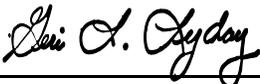
A. The action would approve a one-time allocation of \$650,000 from the Neighborhood Stabilization Program to Stay In Balance for the purpose of providing 18 units of supportive housing at 1515 N. Farwell Avenue.

B. As part of the Milwaukee County NSP Consortium, the funds will be transferred to Milwaukee County from the City of Milwaukee. Milwaukee County will disperse the funds upon completion of a development agreement between Milwaukee County and Stay In Balance.

C. This action would increase expenditures by \$650,000 and revenue by the same amount for no net tax levy impact. There are no matching funds required. A fund transfer will be submitted in September to adjust the budget within the Housing Division.

D. There were no assumptions utilized to provide this information.

Department/Prepared By James Mathy

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

RENTAL HOUSING DEVELOPMENT BUDGET

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PROJECT: Farwell 1513-15
NUMBER OF UNITS: 18 **TOTAL COST PER UNIT:** 49,803

ITEM	COST	% TOTAL	Depreciable	Amortize	Non-Depr.	Historic RTC	LIHTC 4%	LIHTC 9%
ACQUISITION								
Build Acquisiton	650,000	72.51%	650,000				650,000	
Land Acquisition		0.00%			0			
SITE IMPROVEMENTS								
Demolition	0	0.00%	0			0	0	0
On-Site Imp	0	0.00%	0				50,000	50,000
Off-Site Imp	0	0.00%			0			
CONSTRUCTION								
Rehabilitation	164,500	18.35%	164,500			164,500	164,500	164,500
New Construction	0	0.00%	0				0	0
Contingency	16,450	1.84%	16,450			16,450	16,450	16,450
Tap & Impact Fees	0	0.00%	0			0	0	0
Relocation Assist	0	0.00%	0			0	0	0
Furnishings	0	0.00%	0				0	0
Contractor Fees	0	0.00%	0			0	0	0
PROFESSIONAL FEES								
Survey	3,000	0.33%	3,000			3,000	3,000	3,000
Architect & Engineer	5,000	0.56%	5,000			5,000	5,000	5,000
Real Estate Attorney	7,500	0.84%	7,500			7,500	7,500	7,500
Consultant	0	0.00%	0			0	0	0
Tax Opinion	0	0.00%			0			
Developer Fee	0	0.00%	0			0	0	0
Market Study	0	0.00%	0			0	0	0
Environmental	4,000	0.45%	4,000			4,000	4,000	4,000
Cost Certification	0	0.00%	0			0	0	0
Capital Needs Assess	0	0.00%	0			0	0	0
CONSTRUCTION FINANCE								
Constr. Loan Interest	0	0.00%	0			0	0	0
Constr. Loan Fee	0	0.00%	0			0	0	0
Constr. Insurance	0	0.00%	0			0	0	0
Appraisal	3,500	0.39%	3,500			3,500	3,500	3,500
Title and Recording	3,000	0.33%	3,000			3,000	3,000	3,000
Other	0	0.00%	0			0	0	0
PERMANENT FINANCE								
Perm. Loan Fee	3,000	0.33%		3,000				
Perm. Origination	0	0.00%		0				
Title and Recording	5,000	0.56%		5,000				
Other	0	0.00%		0				
SOFT COSTS								
Tax Credit Appl. Fee	0	0.00%			0			
Tax Credit Mon. Fee	0	0.00%			0			
Marketing Expense	4,000	0.45%		4,000				
Organizational Exp.	0	0.00%		0				
Constr. Insurance	0	0.00%	0			0	0	0
Property Taxes	0	0.00%	0			0	0	0
Syndication Expense	0	0.00%			0			
Rentup Expense	0	0.00%			0			
Relocation	0	0.00%	0				0	0
Other	0	0.00%						
RESERVES								
Rentup Reserve	0	0.00%			0			
Operating Reserve	27,500	3.07%			27,500			
Retainage on NSP/cnst mngmnt/costs	0	0.00%			0			
DEVELOPMENT COST	896,450	100.00%	856,950	12,000	27,500	206,950	256,950	256,950

180,950
 18
 10052.77778

PRO FORMA (page 2 of 5)
PRE-TAX CASH FLOW

REVENUES	YEAR	1	2	3	4	5	6	7
Gross Residential Rent		110,160	112,363	114,610	116,903	119,241	121,626	124,058
+ Other Income		500	515	530	546	563	580	597
- Residential Vacancy		<u>11,066</u>	<u>11,288</u>	<u>11,514</u>	<u>11,745</u>	<u>11,980</u>	<u>12,221</u>	<u>12,466</u>
= Residential Income		99,094	101,075	103,096	105,158	107,260	109,405	111,593
	8,258							
Gross Commercial Rent	0.09687771	0	0	0	0	0	0	0
+ Tenant Contributions		<u>0</u>						
= Commercial Rent		0	0	0	0	0	0	0
- Commercial Vacancy		<u>0</u>						
= Commercial Income		0	0	0	0	0	0	0
= Effective Gross Income		99,594	101,590	103,627	105,704	107,823	109,985	112,190
Operating Expenses								
Management Fees		5,300	5,459	5,623	5,791	5,965	6,144	6,328
Advertise/Market		500	515	530	546	563	580	597
Legal/Administrative		5,700	5,871	6,047	6,229	6,415	6,608	6,806
Utilities and Trash		10,960	11,289	11,627	11,976	12,336	12,706	13,087
Maintenance/Repairs and Grounds		7,000	7,210	7,426	7,649	7,879	8,115	8,358
Real Estate Property Tax		15,000	15,450	15,914	16,391	16,883	17,389	17,911
Insurance		4,000	4,120	4,244	4,371	4,502	4,637	4,776
Other		<u>1,500</u>	<u>1,545</u>	<u>1,591</u>	<u>1,639</u>	<u>1,688</u>	<u>1,739</u>	<u>1,791</u>
= Total Operating Expenses		49,960	51,459	53,003	54,593	56,230	57,917	59,655
- Transfer to Reserves		5,400	5,400	5,400	5,400	5,400	5,400	5,400
- Other Expenses		<u>20,000</u>	<u>20,600</u>	<u>21,218</u>	<u>21,855</u>	<u>22,510</u>	<u>23,185</u>	<u>23,881</u>
= Net Operating Income		24,234	24,132	24,006	23,857	23,683	23,482	23,254

PRO FORMA (Page 3 of 5)**AFTER-TAX CASH FLOW ANALYSIS****DETERMINING TAXES**

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7
Cash Flow	9,464	9,362	9,237	9,087	8,913	8,712	8,484
- Depreciation Expense	36,889	36,889	36,889	36,889	36,889	29,889	29,889
- Amortization of Fees	533	533	533	533	533	533	533
- Accrued Interest	0	0	0	0	0	0	0
+ Amortization of Principal	1,820	1,947	2,083	2,229	2,385	2,552	2,731
+ <u>Funded Reserves</u>	<u>5,400</u>						
= Earnings (Loss) Before Tax	(20,738)	(20,713)	(20,702)	(20,706)	(20,724)	(13,758)	(13,808)
x Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
= Tax Incurred (Saved)	0	0	0	0	0	0	0
Cash Flow	9,464	9,362	9,237	9,087	8,913	8,712	8,484

- Tax Incurred (+ Saved)	0	0	0	0	0	0	0
Cash Flow After-tax	9,464	9,362	9,237	9,087	8,913	8,712	8,484

After-tax Benefits Analysis

Cash Flow	9,464	9,362	9,237	9,087	8,913	8,712	8,484
- Taxes	0	0	0	0	0	0	0
+ RTC	0						
+ LIHTC	0	0	0	0	0	0	0
+ Net Sales Proceeds	0	0	0	0	0	0	0
Net Cash Flow After-tax	9,464	9,362	9,237	9,087	8,913	8,712	8,484
Ltd. Partners	0	0	0	0	0	0	0
IRR Equity	0						
Desired IRR	0.00%						
Actual IRR	0.00%						

Loan Amortization

BANK 1ST MORTGAGE	1	2	3	4	5	6	7
INTEREST APR	7.00%						
AMORTIZATION IN YEARS	30						
LOAN AMOUNT	185,000						
P&I	14,770	14,770	14,770	14,770	14,770	14,770	14,770
INTEREST	12,950	12,823	12,686	12,540	12,384	12,217	12,039
PRINCIPAL	1,820	1,947	2,083	2,229	2,385	2,552	2,731
REMAINING PRINCIPAL	183,180	181,233	179,150	176,921	174,535	171,983	169,252

PRO FORMA (Page 4 of 5)

CITY/STATE LOANS

YEAR

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PRO FORMA (page 2 of 5)**PRE-TAX CASH FLOW**

REVENUES	YEAR	8	9	10
Gross Residential Rent		126,539	129,070	131,651
+Other Income		615	633	652
- Residential Vacancy		<u>12,715</u>	<u>12,970</u>	<u>13,230</u>
= Residential Income		113,824	116,100	118,421
	8,258			
Gross Commercial Rent	0.09687771	0	0	0
+ Tenant Contributions		<u>0</u>	<u>0</u>	<u>0</u>
= Commercial Rent		0	0	0
- Commercial Vacancy		<u>0</u>	<u>0</u>	<u>0</u>
=Commercial Income		0	0	0
= Effective Gross Income		114,439	116,733	119,073
Operating Expenses				
Management Fees		6,518	6,714	6,915
Advertise/Market		615	633	652
Legal/Administrative		7,010	7,221	7,437
Utilities and Trash		13,479	13,884	14,300
Maintenance/Repairs and Grounds		8,609	8,867	9,133
Real Estate Property Tax		18,448	19,002	19,572
Insurance		4,919	5,067	5,219
<u>Other</u>		<u>1,845</u>	<u>1,900</u>	<u>1,957</u>
= Total Operating Expenses		61,444	63,288	65,186
- Transfer to Reserves		5,400	5,400	5,400
- Other Expenses		<u>24,597</u>	<u>25,335</u>	<u>26,095</u>
= Net Operating Income		22,997	22,710	22,391

- Debt Service (p+i) bank	14,770	14,770	14,770
- Other Debt Service (p+i)	0	0	0
- Interest Only Loan Payments	0	0	0
- Debt Service - Deferred Loans	0	0	0
- Debt Service (p+i) Developer	0	0	0
- <u>Debt Service -CF Loan</u>	<u>0</u>	<u>0</u>	<u>0</u>
= Cash Flow	8,227	7,940	7,622
- Partnership Management Fees			
- <u>Incentive Management Fees</u>			
= Cash Flow Available for Distribution	8,227	7,940	7,622
Debt Coverage Ratio-Bank Loan	1.56	1.54	1.52
Debt Coverage Ratio-All loans	1.56	1.54	1.52
Cash on Cash (e=CF/EQ)	0.00	0.00	0.00

PRO FORMA (Page 3 of 5)**AFTER-TAX CASH FLOW ANALYSIS****DETERMINING TAXES**

	YR 8	YR 9	YR 10
	=====	=====	=====
Cash Flow	8,227	7,940	7,622
- Depreciation Expense	29,889	29,889	29,889
- Amortization of Fees	533	533	533
- Accrued Interest	0	0	0
+ Amortization of Principal	2,922	3,127	3,345
+ <u>Funded Reserves</u>	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>
= Earnings (Loss) Before Tax	(13,873)	(13,956)	(14,055)
x Tax Rate	0.00%	0.00%	0.00%
= Tax Incurred (Saved)	0	0	0
Cash Flow	8,227	7,940	7,622

- Tax Incurred (+ Saved)	0	0	0
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Cash Flow After-tax	8,227	7,940	7,622
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After-tax Benefit

Cash Flow	8,227	7,940	7,622
- Taxes	0	0	0
+ RTC			
+ LIHTC	0	0	0
+ Net Sales Proceeds	0	0	0

Net Cash Flow After-tax	8,227	7,940	7,622
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Ltd. Partners	0	0	0
IRR Equity			
Desired IRR			
Actual IRR			

Loan Amortization

BANK 1ST MORTGAGE	8	9	10
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INTEREST APR	7.00%		
AMORTIZATION IN YEARS	30		
LOAN AMOUNT	185,000		
P&I	14,770	14,770	14,770
INTEREST	11,848	11,643	11,424
PRINCIPAL	2,922	3,127	3,345
REMAINING PRINCIPAL	166,330	163,203	159,858

PRO FORMA (Page 4 of 5)

CITY/STATE LOANS

8

9

10

COUNTY OF MILWAUKEE

3

INTER-OFFICE COMMUNICATION

DATE: July 14, 2010
TO: Committee on Economic and Community Development
FROM: Craig C. Dillmann, Manager, Real Estate Services
SUBJECT: Status of 2010 excess property sales (**INFORMATION ONLY**)

The Real Estate Services Division of the Department of Transportation and Public Works reports to the Committee, on a monthly basis, the status of excess property sales. Attached is the monthly report for period ending June 30, 2010.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: July 19, 2010

cc. Scott Walker, County Executive
Lee Holloway, County Board Chairman
Jack Takerian, Interim Director of Transportation and Public Works
Josh Fudge, Fiscal Mgmt. Analyst - DAS

REAL ESTATE SERVICES DIVISION
EXCESS LAND SALES STATUS REPORT
 Period ending June 30, 2010

CLOSED PROPERTIES – REAL ESTATE SALES REVENUE

Property	Committee Date	Closed	Sale Proceeds
Block 1E – Park East Development	March 9, 2009 December 7, 2009	RSC forfeiture	\$ 25,000.00 ¹
4900 North Shoreland Avenue, Whitefish Bay	March 8, 2010	April 23, 2010	\$ 89,000.00
2113 South 84 th Street, West Allis	March 8, 2010	April 30, 2010	\$ 20,000.00
		Total	\$ 134,000.00
		2010 Budget	\$
400,000.00			

CLOSED PROPERTIES – MILWAUKEE COUNTY RESEARCH PARK REVENUE

Lot	Buyer	Date	Sale Price	Amt. To Econ. Dev. Div.
	TOTAL			\$

PENDING PROPERTY CLOSINGS

Property	Committee Date	Pending Closing	Sale Proceeds
Block 6E, Park East Development	April 3, 2006	Requesting extension	\$ 406,000.00 ²
Land west of the Southwest corner of E. Layton & S. Pennsylvania Avenues	June 12, 2006	3 rd quarter 2010	\$ 183,000.00
6375 North 76 th St., Milwaukee	October 27, 2008 March 8, 2010	3 rd quarter 2010	\$ 475,000.00 ³
NE Quadrant County Grounds	May 11, 2009 December 15, 2009	3 rd quarter 2010	\$ 5,000,000.00 ⁴
5414-22 South Packard Avenue, Cudahy	June 14, 2010	3 rd quarter 2010	\$ 32,000.00
TOTAL			\$ 6,096,000.00

GENERAL PROPERTY STATUS

Property	Committee Date	Status	Asking Price
3231 South 122 nd Street, West Allis	Presenting offer	Available for sale	\$ 214,900.00
4812 South 39 th Street, Greenfield		Available for Sale	\$ 84,900.00
5478 South Packard, Cudahy		Available for sale	\$ 19,900.00
3618 East Grange, Cudahy		Available for sale	\$ 4,900.00
6614 Vista, Wauwatosa		Available for sale	\$ 50,000.00
3749 East Squire, Cudahy		Available for sale	\$ 25,000.00
8450 West Beatrice Ct., Milwaukee		Available for sale	\$ 375,000.00 ²
3672 East Lunham Avenue, St. Francis		Available for sale	\$ 85,000.00

1. RSC closed the sale of Block 1E for \$2,725,000 in December 2007 and entered into a Development Agreement to construct the proposed development.

The Committee dates refer to extensions of the Excavation Commencement Date granted to RSC.

The March 9, 2009 meeting granted an extension until November 30, 2009.

The December 7, 2009 meeting granted an extension until May 31, 2010.

The June 14, 2010 meeting granted an extension until September 30, 2010

The \$25,000 was received from RSC for not meeting the January 29, 2010 Excavation Completion Date.

RSC will forfeit an additional \$25,000 for not meeting the July 30, 2010 Excavation Completion Date. Common Bond did not receive WHEDA tax credit allocations so Common Bond & RSC pursuing alternative financing sources.

2. County's share of \$ 700,000 sales price.

3. Net proceeds to Federal Transportation Administration.

4. First installment payment of the \$13,550,000 sales price. See attached comments for full payment schedule.

REAL ESTATE SERVICES DIVISION

SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS

PROPERTY	PURCHASER	CLOSING	COMMENTS
Block 6E, Park East	Rainier Properties II, LLC		Rainier furnishing project update and requesting an extension to existing option at the July 19, 2010 ECD Committee meeting.
Land west of the SW corner of E. Layton & S. Pennsylvania Avenues	Cobalt Partners	3 rd quarter 2010	Landlocked County-owned 4-acre strip. Sale dependent upon purchase of adjacent 20 acre parcel. Purchaser awaiting TIF funding so anticipating closing in August 2010.
6375 North 76 th St., Milwaukee	O'Reilly Auto Parts	3 rd quarter 2010	120 day extension to contingency period granted (July 31, 2010) and offer assigned to major tenant of the development. Closing to occur if contingencies are satisfied or waived. Former transit site so net proceeds go to Federal Transit Administration.
NE Quadrant County Grounds	UWM	3 rd quarter 2010	Buyer under a 9 month option to complete due diligence and 30 days to close. Buyer granted extension to contingency period until July 31, 2010, with closing in August 2010. Purchase price to be paid by following installments: 2010 \$5,000,000 2011 \$5,000,000 2012 \$ 887,500 2013 \$ 887,500 2014 \$ 887,500 2015 \$ 887,500
5414-22 South Packard Avenue, Cudahy	Gard N Angel	3 rd quarter 2010	Buyer pursuing approvals to construct and operate a child care center on subject property. Anticipate closing in September 2010.

COUNTY OF MILWAUKEE**INTER-OFFICE COMMUNICATION**

DATE: July 9, 2010

TO: Supervisor Theodore Lipscomb, Vice Chair
Committee on Economic & Community Development

Supervisor Elizabeth Coggs, Chairperson
Committee on Finance and Audit

FROM: Craig C. Dillmann, Manager of Real Estate Services
Department of Transportation and Public Works

SUBJECT: From the Manager, Real Estate Services, DTPW, monthly informational report for the land sale closing on UWM/Innovation Park.

This update highlights activities taken place since the last report to the Economic and Community Development Committee on June 14, 2010 and the Finance & Audit Committee on June 17, 2010.

The Purchase Agreement contractual time frames are currently as follows:

- Due diligence commencement date –July 1, 2009 (Purchase Agreement executed)
- Escrow Deposit of \$25,000 paid- July 6, 2009
- Contingency Waiver (“CW”) Date Expiration-December 31, 2009
- CW Date Extension w/in Purchase Agreement- March 31, 2010
- CW Date Extension-July 31, 2010 (3/18/10 County Board approval)
- Closing Date- on or before August 31, 2010

As previously reported, the following project milestones have been approved by the City of Wauwatosa (“City”):

- Preliminary Business Planned Development
- Change of zoning
- Land division by Certified Survey Map (“CSM”). The CSM document is completed and has been submitted to the City for their final review and execution. Upon full execution and recording, the CSM is the means of legally describing the land to be conveyed at closing.

UWM Foundation officials continue to explore with the City the creation of tax incremental financing (“TIF”) for the needed street and other public infrastructure improvements for Innovation Park. The necessary “Notice” dates in the TIF approval schedule were met to initiate consideration of the TIF in the July Common Council cycle. However, the City in cooperation with UWM, has determined it is prudent to undertake further financial analysis of the projected costs, anticipated increment, and potential impacts of the TIF. As a result, the TIF will not be considered at the July 12th City Plan Commission meeting, the July 13th Budget and Finance Committee and the July 20th Common Council meeting as anticipated.

Therefore, to keep the Purchase Agreement between the County and UWM in force while the additional TIF analysis is being performed, an extension to the existing July 31, 2010 Contingency Waiver Date is necessary.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Dates: July 19, 2010 (ECD)
July 22, 2010 (F&A)

Attachment

cc: Scott Walker, County Executive
Lee Holloway, County Board Chairman
Cynthia Archer, Director of DAS
Steven Kreklow, Fiscal & Budget Administrator, DAS
Josh Fudge, Fiscal Mgt Analyst-DAS
Jack Takerian, Director- DPTW
Steve Cady, Fiscal and Budget Analyst, County Board

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

5

DATE: July 14, 2010

TO: Supervisor Theo Lipscomb, Vice Chairperson
Committee on Economic & Community Development

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Offer to purchase on a County-owned single-family house located at 3231 South 122nd Street in the City of West Allis, Wisconsin.

POLICY ISSUE:

County Board Resolution File No. 10-14 was established by the County Board Chairperson relative to offers-to-purchase on lands under County control.

BACKGROUND:

The Real Estate Division of the Department of Transportation and Public Works received an offer to purchase on an excess County-owned single-family house located at 331 South 122nd Street in the City of West Allis. A copy of the offer and an exhibit depicting the location of the property are attached.

The subject property, appraised at \$212,000, consists of a four-bedroom two and one half-bath house with a two-car attached garage situated on a 12,197 square foot lot. Milwaukee County acquired the property for delinquent taxes by foreclosure proceedings. The property is in fair condition requiring kitchen and bath updates as well as cleaning and redecorating of the interior. In addition, there are deferred maintenance items on the exterior of the house, including a neglected in ground swimming pool.

The offer is from Thomas J. Knight, Jr. and Lori A. Knight in the amount of \$160,000. The Offer is 75% of the appraised value and contingent on Buyers obtaining an FHA loan in the amount of \$144,000.

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend rejection of the above-described offer from Thomas J. Knight, Jr. and Lori A. Knight in the amount of \$160,000.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: July 19, 2010
Attachments

cc: Scott Walker, County Executive
Supervisor Joe Sanfelippo, 17th District

NATIONAL

W. ST.

16 53 87

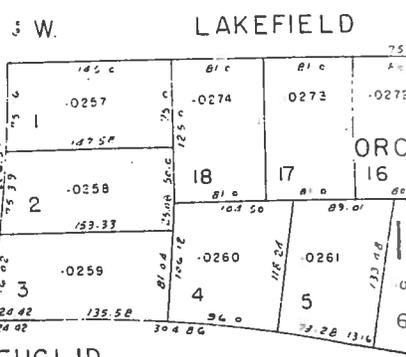
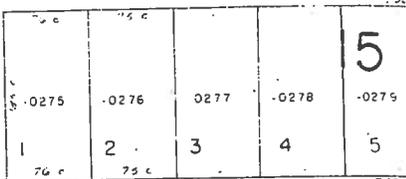
SEE PAGE

522-X

1006



9994



EUCLID

SUBJECT PROPERTY

COOPER HIGHLANDS

COOPER HIGHLANDS

124 TH. ST.

W. EUCLID AVE.

ST. 123 RD.

ST. 123 RD.

ST. SO.

ST. SO.

122 ND.

121 ST.

S. 121 ST. 150.

RE-SUBDIVISION OF LOTS 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 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1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022

Approved by the Wisconsin Department of Regulation and Licensing
11-1-09 (Optional Use Date) 3-1-10 (Mandatory Use Date)

RE/MAX Lakeside

Page 1 of 9, WB-11

WB-11 RESIDENTIAL OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON 6-3-10 [DATE] IS (AGENT OF BUYER) (AGENT OF SELLER/LISTING-
2 ~~BROKER~~) (~~AGENT OF BUYER AND SELLER~~) (~~STRIKE ONES NOT APPLICABLE~~)

3 **GENERAL PROVISIONS** The Buyer, THOMAS J KNIGHT, JR & LORI A KNIGHT, offers
4 to purchase the Property known as [Street Address] 3231 SOUTH 122nd STREET
5 in the CITY of WEST ALLIS
6 County of MILWAUKEE Wisconsin (Insert additional description, if any, at lines 165-172 or 438-444 or attach
7 as an addendum per line 436), on the following terms:

8 ■ PURCHASE PRICE: ONE HUNDRED SIXTY-THOUSAND
9 _____ Dollars (\$ 160,000).
10 ■ EARNEST MONEY of \$ - accompanies this Offer and earnest money of \$ 1,000.00 will be
11 mailed, or commercially or personally delivered within 5 days of acceptance to listing broker or _____

12
13 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.
14 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the Purchase Price the Property, all Fixtures on the Property on
15 the date of this Offer not excluded at lines 17-18, and the following additional items: ALL WINDOW TREATMENT,
16 PRESENTLY IN HOUSE, ALL APPLIANCES PRESENTLY IN HOUSE, FIREPLACE TOOLS, HOCKEY GA.
17 ■ NOT INCLUDED IN PURCHASE PRICE: NONE

18
19 CAUTION: Identify Fixtures that are on the Property (see lines 185-195) to be excluded by Seller or which are rented
20 and will continue to be owned by the lessor.
21 NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are
22 included/excluded.

23 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but
24 identical copies of the Offer.
25 CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term
26 deadlines running from acceptance provide adequate time for both binding acceptance and performance.

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer
28 on or before JULY 31st, 2010. Seller may keep the Property
29 on the market and accept secondary offers after binding acceptance of this Offer.
30 CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.

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

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-55.

36 (1) **Personal Delivery**: giving the document or written notice personally to the Party, or the Party's recipient for delivery if
37 named at lines 50 or 53.
38 (2) **Commercial Delivery**: depositing the document or written notice fees prepaid or charged to an account with a
39 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at lines 50 or 53
40 for delivery to the Party's delivery address at lines 51 or 54.
41 (3) **Fax**: fax transmission of the document or written notice to the following telephone number:
42 Buyer: (262) 670-0749 Seller: (414) 223-1917
43 (4) **U.S. Mail**: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,
44 or to the Party's recipient for delivery if named at lines 50 or 53 for delivery to the Party's delivery address at lines
45 51 or 54.

46 (5) **E-Mail**: electronically transmitting the document or written notice to the party's e-mail address, if given below at lines
47 52 or 55. If this is a consumer transaction where the property being purchased is used primarily for personal, family or
48 household purposes, each consumer providing an e-mail address below has first consented electronically to the use of
49 electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.
50 Seller's recipient for delivery (optional): GERALD A. BAKER
51 Delivery address for Seller: 2711 WEST WELLS ST., FIFTH FLOOR, MILWAUKEE, WI 53208
52 E-Mail address for Seller (optional): _____
53 Buyer's recipient for delivery (optional): JEFF COSTIGAN OR CHRIS BERKEL
54 Delivery address for Buyer: 384 W SUMNER ST HARTFORD, WI 53027
55 E-Mail address for Buyer (optional): _____

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

58 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
 59 Offer at lines 165-172 or 438-444 or in an addendum attached per line 436. At time of Buyer's occupancy, Property shall be
 60 in broom swept condition and free of all debris and personal property except for personal property belonging to current
 61 tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if
 62 any.

63 **DEFINITIONS**

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

66 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions affecting the Property or transaction" are
 67 defined to include:

- 68 a. Defects in the roof.
- 69 b. Defects in the electrical system.
- 70 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included
 71 in the sale.
- 72 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
- 73 e. Defects in the well, including unsafe well water.
- 74 f. Property is served by a joint well.
- 75 g. Defects in the septic system or other sanitary disposal system.
- 76 h. Underground or aboveground fuel storage tanks on or previously located on the property. (If "yes", the owner, by law,
 77 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707,
 78 whether the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of
 79 unused tanks.)
- 80 i. "LP" tank on the property (specify in the additional information whether the tank is owned or leased).
- 81 j. Defects in the basement or foundation (including cracks, seepage and bulges).
- 82 k. Property is located in a floodplain, wetland or shoreland zoning area.
- 83 l. Defects in the structure of the Property.
- 84 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.
- 85 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).
- 86 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in
 87 paint, lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the
 88 Property. **NOTE: specific federal lead paint disclosure requirements must be complied with in the sale of most
 89 residential properties built before 1978.**
- 90 p. Presence of asbestos or asbestos-containing materials on the Property.
- 91 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic
 92 substances on neighboring properties.
- 93 r. Current or previous animal, insect, termite, powder-post beetle or carpenter ant infestations.
- 94 s. Defects in a wood burning stove or fireplace or of defects caused by a fire in a stove or fireplace or elsewhere on the
 95 Property.
- 96 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership
 97 without required permits.
- 98 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 99 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.
- 100 w. Remodeling that may increase Property's assessed value.
- 101 x. Proposed or pending special assessments.
- 102 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose
 103 assessments against the real property located within the district.
- 104 z. Proposed construction of a public project that may affect the use of the Property.
- 105 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,
 106 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.
- 107 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.
- 108 cc. Any land division involving the Property for which required state or local permits had not been obtained.
- 109 dd. Violation of applicable state or local smoke detector laws; **NOTE: State law requires operating smoke detectors on
 110 all levels of all residential properties.**
- 111 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 112 Property.
- 113 ff. Other defects affecting the Property.
- 114 **(Definitions Continued on page 4)**

Property Address: 3231 South 122nd Street, West Allis, WI

SEPTEMBER 30th,

2010 at the place

5 **CLOSING** This transaction is to be closed no later than
6 selected by Seller, unless otherwise agreed by the Parties in writing.

17 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing
18 values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owner's association
19 assessments, fuel and none

20 **CAUTION: Provide basis for fuel prorations if date of closing value will not be used.**
21 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing. Net
22 general real estate taxes (defined as general property taxes after state tax credits and lottery credits are deducted) shall be
23 prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

- 24 The net general real estate taxes for the preceding year, or the current year if available (NOTE: THIS CHOICE
- 25 APPLIES IF NO BOX IS CHECKED)
- 26 Current assessment times current mill rate (current means as of the date of closing)
- 27 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
- 28 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)
- 29

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

34 Buyer and Seller agree to re-prorate the real estate taxes, within 30 days after the actual tax bill is received for the
35 year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer and Seller agree this is a post-closing
36 obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this
37 transaction.

38 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
39 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
40 (written) (oral) **STRIKE ONE** lease(s), if any, are vacant - no leases

41 Insert additional terms, if any, at lines 165-172 or 438-444 or attach as an addendum per line 436.
42 **RENTAL WEATHERIZATION** This transaction (is) ~~(is not)~~ **STRIKE ONE** exempt from State of Wisconsin Rental
43 Weatherization Standards (Wis. Admin. Code Ch. Comm 67). (Buyer) (Seller) **STRIKE ONE** ("Buyer" if neither is stricken)
44 will be responsible for compliance, including all costs, with applicable Rental Weatherization Standards (Wis. Admin. Code
45 Ch. Comm 67). If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

46 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to
47 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never
48 been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for
49 example, personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. §
50 709.03. The law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after
51 acceptance of the contract of sale . . . to the prospective Buyer of the property a completed copy of the report . . . A
52 prospective Buyer who does not receive a report within the 10 days may, within 2 business days after the end of that 10 day
53 period, rescind the contract of sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer
54 may also have certain rescission rights if a Real Estate Condition Report disclosing defects is furnished before expiration of
55 the 10 days, but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for
56 additional information regarding rescission rights.

57 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
58 notice or knowledge of conditions affecting the Property or transaction (lines 66-113) other than those identified in Seller's
59 Real Estate Condition Report dated report exempt, which was received by Buyer prior to Buyer
60 signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and
61 Buyer relies on inspections made by themselves, their agents, contractors, and/or
62 representatives and purchases the subject property in its "as is" condition. Seller
63 makes no warranties nor guarantees as to the condition of the subject
64 property, mechanicals, nor **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

65 **ADDITIONAL PROVISIONS/CONTINGENCIES** Acceptance of this offer and sale of the subject
66 property is subject to the approval of the Milwaukee County Board of Supervisors and the
67 County Executive.
68 Buyer(s) is/are responsible for obtaining environmental testing, if desired, at Buyer's
69 cost and Buyer(s) shall not hold Seller liable for ant environmental contamination found.

DEFINITIONS CONTINUED FROM PAGE 2

173
174 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by
175 excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the
176 last day. Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public
177 holiday under Wisconsin or Federal law, and other day designated by the President such that the postal service does not
178 receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from
179 the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24
180 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such
181 as closing, expire at midnight of that day.

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

185 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or
186 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily
187 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as
188 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows;
189 electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and
190 attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings;
191 attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and
192 accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on
193 permanent foundations and docks/piers on permanent foundations.

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**
195 **conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-6.

PROPERTY DIMENSIONS AND SURVEYS

197 Buyer acknowledges that any land, building or room dimensions, or total
198 acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of
199 rounding or other reasons, unless verified by survey or other means. Buyer also acknowledges that there are various
200 formulas used to calculate total square footage of buildings and that total square footage figures will vary dependent upon
201 the formula used.

202 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, land, building or**
203 **room dimensions, if material.**

BUYER'S PRE-CLOSING WALK-THROUGH

204 Within 3 days prior to closing, at a reasonable time pre-approved by Seller
205 or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant
206 change in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any
207 defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING

208 Seller shall maintain the Property until the earlier of
209 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
210 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling
211 price, Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer.
212 No later than closing, Seller shall provide Buyer with lien waivers for all repairs and restoration. If the damage shall exceed
213 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
214 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
215 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible
216 on such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds
217 shall be held in trust for the sole purpose of restoring the Property.

Property Address: 5231 S. 122nd Street, West Allis, WI

218

IF LINE 219 IS NOT MARKED OR IS MARKED N/A LINES 259-265 APPLY.

219 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written FHA
 220 [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within 30 days of
 221 acceptance of this Offer. The financing selected shall be in an amount of not less than \$ 144,000 for a term
 222 of not less than 30 years, amortized over not less than 30 years. Initial monthly payments of principal and interest
 223 shall not exceed \$ 863.37. Monthly payments may also include 1/12th of the estimated net annual real estate taxes,
 224 hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment
 225 premium. Buyer agrees to pay discount points and/or loan origination fee in an amount not to exceed _____ % of the loan.
 226 If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the
 227 same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to
 228 maintain the term and amortization stated above.

229 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 230 or 231.**

230 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed 6.00 %.

231 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ % . The initial interest
 232 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per
 233 year. The maximum interest rate during the mortgage term shall not exceed _____ % . Monthly payments of principal
 234 and interest may be adjusted to reflect interest changes.

235 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines
 236 165-172 or 438-444 or in an addendum attached per line 436.

237 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a
 238 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan
 239 described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan
 240 commitment no later than the deadline at line 220. Buyer and Seller agree that delivery of a copy of any written loan
 241 commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of
 242 the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall
 243 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of
 244 unacceptability.

245 **CAUTION:** The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to
 246 provide the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN
 247 COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS
 248 ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.

249 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this
 250 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan
 251 commitment.

252 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already
 253 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of
 254 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is
 255 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this
 256 transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for
 257 closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to
 258 obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

259 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Buyer shall provide Seller within 7 days of acceptance written
 260 evidence from a financial institution or a third party in control of the funds, that Buyer shall have the required funds available
 261 at closing. If Buyer does not provide written evidence, Seller has the right to terminate this Offer by delivering written notice to
 262 Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency. Seller
 263 agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that
 264 this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency,
 265 nor does the right of access for an appraisal constitute a financing contingency.

266 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or a lender of Buyer's choice having the Property
 267 appraised by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the
 268 date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This
 269 contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller, and to listing
 270 broker if Property is listed, a copy of the appraisal report which indicates that the appraised value is not equal to or greater
 271 than the agreed upon purchase price. If the appraisal report does not indicate an appraised value for the Property equal to or
 272 greater than the agreed upon purchase price, Buyer may terminate this Offer upon written notice to Seller.

273 **CAUTION:** An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider
 274 whether deadlines provide adequate time for performance.

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

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

284 If Buyer defaults, Seller may:
 285 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
 286 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for
 287 actual damages.

288 If Seller defaults, Buyer may:
 289 (1) sue for specific performance; or
 290 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

291 In addition, the Parties may seek any other remedies available in law or equity.
 292 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation
 293 and the discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute
 294 resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate
 295 in a court of law those disputes covered by the arbitration agreement.

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

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

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

Property Address: 3231 South 122nd Street, West Allis, WI

37 **N/A CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's
38 property located at _____, no later than _____. If Seller accepts
39 a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a
40 written waiver of the Closing of Buyer's Property Contingency and _____

41
42 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**
43 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within _____ hours of Buyer's Actual
44 Receipt of said notice, this Offer shall be null and void.

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

51 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
52 occupancy; (4) date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in
53 this Offer except: none

54 _____ . If "Time is of the Essence" applies to a date or
55 _____ . If "Time is of the Essence" does not apply
56 deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply
57 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

58 **TITLE EVIDENCE**
59 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
60 (or other conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning
61 ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services,
62 recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in
63 Seller's Real Estate Condition Report and in this Offer, general taxes levied in the year of closing and none

64
65
66 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
67 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

68 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements**
69 **may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates**
70 **making improvements to Property or a use other than the current use.**

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

75 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)
76 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded
77 after the effective date of the title insurance commitment and before the deed is recorded, provided the title company will
78 issue the endorsement. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that
79 title is not acceptable for closing (see lines 356-362).

80 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
81 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title
82 to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 329-
83 337, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
84 exceptions, as appropriate.

85 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
86 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days,
87 to remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is
88 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the
89 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be
90 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give
91 merchantable title to Buyer.

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

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

372 **EARNEST MONEY**

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

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

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

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

398 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part
399 of this offer. An "inspection" is defined as an observation of the Property which does not include testing of the Property,
400 other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are
401 hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials
402 from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers
403 and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in this
404 Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's
405 authorization for inspections does not authorize Buyer to conduct testing of the Property. NOTE: Any contingency
406 authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if
407 environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.
408 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
409 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to
410 Seller, and to listing broker if Property is listed. Seller acknowledges that certain inspections or tests may detect
411 environmental pollution which may be required to be reported to the Wisconsin Department of Natural
412 Resources.

Property Address: 3231 South 122nd Street, West Allis, WI

413 **N/A** **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 398-412). This
 414 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which
 415 discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third
 416 party performing an inspection of _____ (list any Property component(s) to be separately inspected,
 417 _____ (list any Property component(s) to be separately inspected,
 418 e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be
 419 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting
 420 from an authorized inspection performed provided they occur prior to the deadline specified at line 423.
 421 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as**
 422 **well as any follow-up inspection(s).**
 423 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller, and to listing
 424 broker if Property is listed, a copy of the written inspection report(s) and a written notice listing the Defect(s) identified in
 425 those report(s) to which Buyer objects (Notice of Defects).

426 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**
 427 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions
 428 the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.
 429 **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ have a right to cure the Defects. (Seller shall have a right to cure
 430 if no choice is indicated.) If Seller has right to cure, Seller may satisfy this contingency by: (1) delivering written notice to
 431 Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the
 432 Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days
 433 prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written
 434 inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers
 435 written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

436 **ADDENDA:** The attached Lead base paint addendum is/are made part of this Offer.
 437 **ADDITIONAL PROVISIONS/CONTINGENCIES**

438 _____
 439 _____
 440 _____
 441 _____
 442 _____
 443 _____
 444 _____

445 This Offer was drafted on 6-7-10, 10 [date] by [Licensee and Firm] CHRIS BERKEL RE/MAX LAKESIDE

446 (x) [Signature] 6-8-10
 447 Buyer's Signature ▲ Print Name Here ▶ Date ▲

448 (x) Lori Knight 6-8-10
 449 Buyer's Signature ▲ Print Name Here ▶ Date ▲

450 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
 451 _____ Broker (By) _____

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

456 (x) _____ Date ▲
 457 Seller's Signature ▲ Print Name Here ▶

458 (x) _____ Date ▲
 459 Seller's Signature ▲ Print Name Here ▶ Craig c. Dillmann, Mgr. Real Es

460 This Offer was presented to Seller by [Licensee and Firm] _____ on
 461 _____ at _____ a.m./p.m.

462 This Offer is rejected _____ This Offer is countered [See attached counter] _____
 463 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

REO Case # _____

Loan # _____

Property Address 3231 South 122nd Street, West Allis, WI

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase, at purchaser's expense.

Seller's Disclosure (initial)

____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

- Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

____ (b) Records and reports available to the seller (check one below):

- Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

____ (c) Purchaser has received copies of all information listed above.

____ (d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

____ (e) Purchaser has (check one below):

- Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

PURCHASER AGREES THEY ARE PURCHASING THE PROPERTY "AS IS," WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE CONDITION OF THE PROPERTY. PURCHASER FURTHER AGREES THAT SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS HAS NO RESPONSIBILITY OR LIABILITY FOR, AND PURCHASER HEREBY UNCONDITIONALLY RELEASES SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS FROM, ANY AND ALL LIABILITY, BOTH KNOWN AND UNKNOWN, PRESENT AND FUTURE, THAT IS BASED UPON, OR RELATED TO, THE EXISTENCE OF LEAD OR LEAD-BASED PAINT ON OR ABOUT THE PROPERTY.

Broker's/Agent's Acknowledgment (initial)

____ (f) Broker/Agent has informed the seller of the seller's obligations under 42U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller Date

Broker/Agent Date

Purchaser Date

Fannie Mae
By:

Seller Date

Broker/Agent Date

Purchaser Date

1
2
3
4 (ITEM) Reference file established by the County Board Chairperson relative to offers to
5 purchase on lands under County control with an undesignated use, by recommending
6 adoption of the following:

7
8 **A RESOLUTION**
9

10 WHEREAS, the Real Estate Division of the Department of Transportation and Public
11 Works received an offer to purchase on an excess County-owned single-family house
12 located at 3231 South 122nd Street in the City of West Allis; and
13

14 WHEREAS, the subject property, appraised at \$212,000, consists of a four-bedroom
15 two and one half-bath house with a two-car attached garage situated on a 12,197 square
16 foot lot ; and
17

18 WHEREAS, Milwaukee County acquired the property for delinquent taxes by
19 foreclosure proceedings. The property is in fair condition requiring kitchen and bath
20 updates as well as cleaning and redecorating of the interior. In addition, there are deferred
21 maintenance items on the exterior of the house, including a neglected in ground swimming
22 pool; and
23

24 WHEREAS, the offer is from Thomas J. Knight, Jr. and Lori A. Knight in the amount
25 of \$160,000. The Offer is 75% of the appraised value and contingent on Buyers obtaining
26 an FHA loan in the amount of \$144,000; and
27

28 WHEREAS, the Committee on Economic and Community Development at their
29 meeting on July 19, 2010 recommended rejection of the above-described offer from
30 Thomas J. Knight, Jr. and Lori A. Knight in the amount of \$ 160,000; now, therefore,
31

32 BE IT RESOLVED, that the above-described offer to purchase from Thomas J. Knight,
33 Jr. and Lori A. Knight in the amount of \$160,000 is hereby rejected.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 1, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Offer to purchase on a County-owned single-family house located at 3231 South 122nd Street in the City of West Allis, Wisconsin.

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	
	Revenue	0	
	Net Cost	0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Offer to purchase rejected, no sale.

Department/Prepared By Gerald Baker

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE : July 14, 2010

TO : Supervisor Theodore Lipscomb, Vice Chair
Committee on Economic and Community Development

FROM : Craig C. Dillmann, Manager, Real Estate Services
Department of Transportation and Public Works

SUBJECT : From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

Milwaukee County Board Resolution File No. 06-14(a)(a) was adopted on April 13, 2006, accepting a development proposal from MLG Commercial, the predecessor to Rainier Properties II, LLC ("Rainier") for Block 6E, in the amount of \$676,000, which was \$72,000 above the appraised value. The approved development, estimated at \$8 million, included a four-story mixed-use building, comprising 8,000 rental square feet of retail on the first floor, approximately 36,000 square feet of rentable office space on the upper three floors and up to 31 underground parking spaces. A nine (9)-month option to purchase with a three (3) month extension was granted to market the components of their proposed development, secure the necessary tenants and satisfy or obtain any and all purchase and development requirements, approvals or licenses/permits from the City of Milwaukee and/or other regulatory agencies. A \$15,000 nonrefundable option fee was paid for the nine (9) month option period and an additional \$5,000 for the three (3) month extension, with the initial twelve-month option period expiring April 30, 2007. A six (6) month extension was granted until October 31, 2007 for an additional \$10,000 and the option was further extended until April 30, 2008 for an additional \$10,000. A \$15,000 fee was paid for an extension granted until October 31, 2008, a \$10,000 fee was paid for an extension to April 30, 2009 and the purchase price was increased \$24,000 from \$676,000 to \$700,000 for an extension until December 31, 2009. In January 2010, an extension was granted until June 30, 2010. To date, \$65,000 in nonrefundable option fees has been paid.

Block 6E was marketed as a stand-alone .37-acre, mixed-use development site. As outlined above, the original proposal reflected a stand-alone mixed-use development for Block 6E, but the proposal also presented an alternative to develop Block 6E with a riverfront parcel controlled by Rainier across North Edison Street.

Developing a landmark project on the 2.6-acre development site, which includes the .37-acre Block 6E, offers an opportunity for an architecturally harmonious environment, unequalled pedestrian circulation/river access and a significantly increased tax base beyond what could be achieved on only the .37-acre County-owned Block 6E.

Rainier continues to advance the development plan for Block 6E, as assembled with their riverfront parcel, despite the market uncertainty and the lack of any new major development projects occurring. The attached communication, dated June 29, 2010, from Mr. Bruce Westling the Managing Member of Rainier, reinforces the commitment to advance the \$100 million project comprising an office component, retail, restaurant amenities, a fitness center and a state of the art motion picture theater operated by the Marcus Corporation located above a 560-space parking structure.

In spite of the challenging economic and market conditions, Rainier is focusing their efforts on securing an anchor office tenant needed to satisfy the financing pre-leasing requirement. Rainier and their team, continues to invest considerable time and money to move this landmark project forward and USAA Real Estate Company maintains their interest in funding the project. Therefore, to bring this project to a successful completion Rainier is requesting a six-month extension to their option to purchase for Block 6E until December 31, 2010.

In addition to the \$65,000 in nonrefundable option fees already committed by Rainier and previously increasing the purchase price \$24,000 from \$676,000 to \$700,000, Rainier pledges to continue providing snow removal of the sidewalks surrounding Block 6E and litter removal and mowing services, all of which helps to reduce County maintenance costs.

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend to the Milwaukee County Board of Supervisors an extension to the existing option to purchase with Rainier for Block 6E until December 31, 2010.

FISCAL NOTE:

Extending the existing option to purchase with Rainier for Block 6E until December 31, 2010, will not include the payment of an extension fee. The \$65,000 nonrefundable option fee paid to date will be credited toward the \$700,000 purchase price, but will not be refunded if the option is not exercised and the purchase is not finalized.

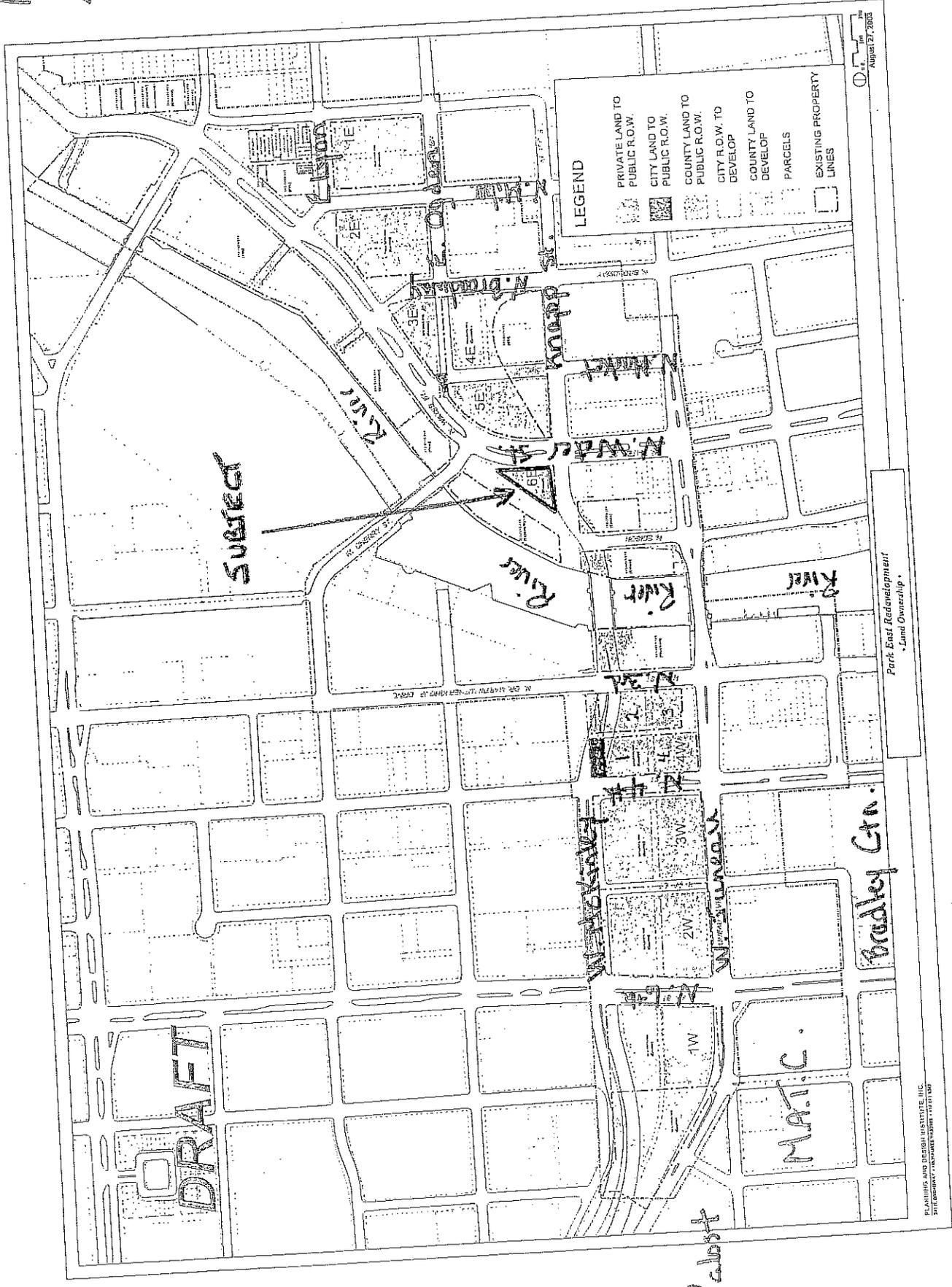
Craig C. Dillmann
Manager of Real Estate Services

Meeting Date: July 19, 2010
Attachments

cc: Scott Walker, County Executive
Supervisor Elizabeth Coggs, District 10
Jack Takerian, Director of Transportation and Public Works
Steve Kreklow, Fiscal & Budget Administrator

Blk6EJuly10ext

N



August 27, 2006

Park East Redevelopment
Land Ownership

PLANNING AND DESIGN INSTITUTE, LLC
2115 GARDNER • INDIANAPOLIS, IN 46201

Rainier Properties II, LLC

June 29, 2010

Mr. Craig Dillmann
Milwaukee County Real Estate
2711 W. Wells Street, Room 532
Milwaukee, WI 53208

Dear Craig:

I am pleased once again to bring the Economic Development Committee up to speed on our mixed-use project at the northwest corner of Water Street and McKinley Avenue. While we are respectfully requesting a 6-month extension to our option agreement, I am especially pleased to update the committee on the progress of our marketing efforts and design as well as the status of our tenant discussions. We are also extremely excited about the progress we are making in our efforts to bring the most environmentally conscious development possible to this landmark site. We have been working with our architect and general contractor to incorporate industry leading mechanical systems to not only conserve energy but provide the most comfortable working environment for tenants.

In order to bring the newest members of the Economic Development Committee up to date I offer the following description of the project: The approximately 2.6 acre site consists of 3 separate parcels. The largest of the parcels is the parking lot that stretches 650 feet along the Milwaukee River owned by Parking Management Inc. (PMI). PMI has entered into a partnership with our team to develop the property. The second part of the assemblage is Edison Street that runs between Cherry Street and McKinley Avenue. In our conversations with the Department of City Development we have been assured that the City would vacate Edison and contribute the parcel to the development. The third piece of the assemblage is the .37 acre parcel owned by the County at the corner of Water Street & McKinley Avenue. As we have discussed in the past we feel strongly that the highest and best use of the County owned parcel is that it be developed as a part of a larger landmark project which adheres to the zoning guidelines of the Park East Corridor.

The project is located where the east bank of the Milwaukee River meets the bend in Water Street. The access to the project is simple, the McKinley exit from I-43 feeds directly to Water Street and this location. The site's 650 feet of river frontage and exposure to three major urban streets provides the best opportunity in the Milwaukee area to create an urban icon of significant influence in our city. The cutting edge design of the project is conceived from its site and surroundings. The tower rises at the corner of Water Street and Cherry Street providing a direct view from Water Street in both directions. Directly on the river's edge, the building extends vertically to become a beacon along our urban waterway.

The development also provides for 560 parking spaces within the building for tenants and guests with easy access on Cherry Street. The expansive ground floor lobby opens up to the corner on Water Street and provides the building with a direct "front door" to the city and all the retail and restaurant amenities that can be found within easy walking distance. Other building amenities will include a fitness center that opens to the river walk and provides a respite to the tenants of

the development as well as a state-of-the-art motion picture theater operated by the Marcus Corporation. The project will be a green LEED development that is designed to conserve energy and deliver state-of-the-art systems and comfort to its occupants. In addition, the project will be constructed pursuant to the County's PERC requirements as well as the City's MORE ordinance.

When the project is complete we expect that there will be over 1,000 employees in the building while creating approximately \$100 million in tax base. The economic impact through jobs during construction will only be outweighed by the immeasurable impact on area businesses upon completion.

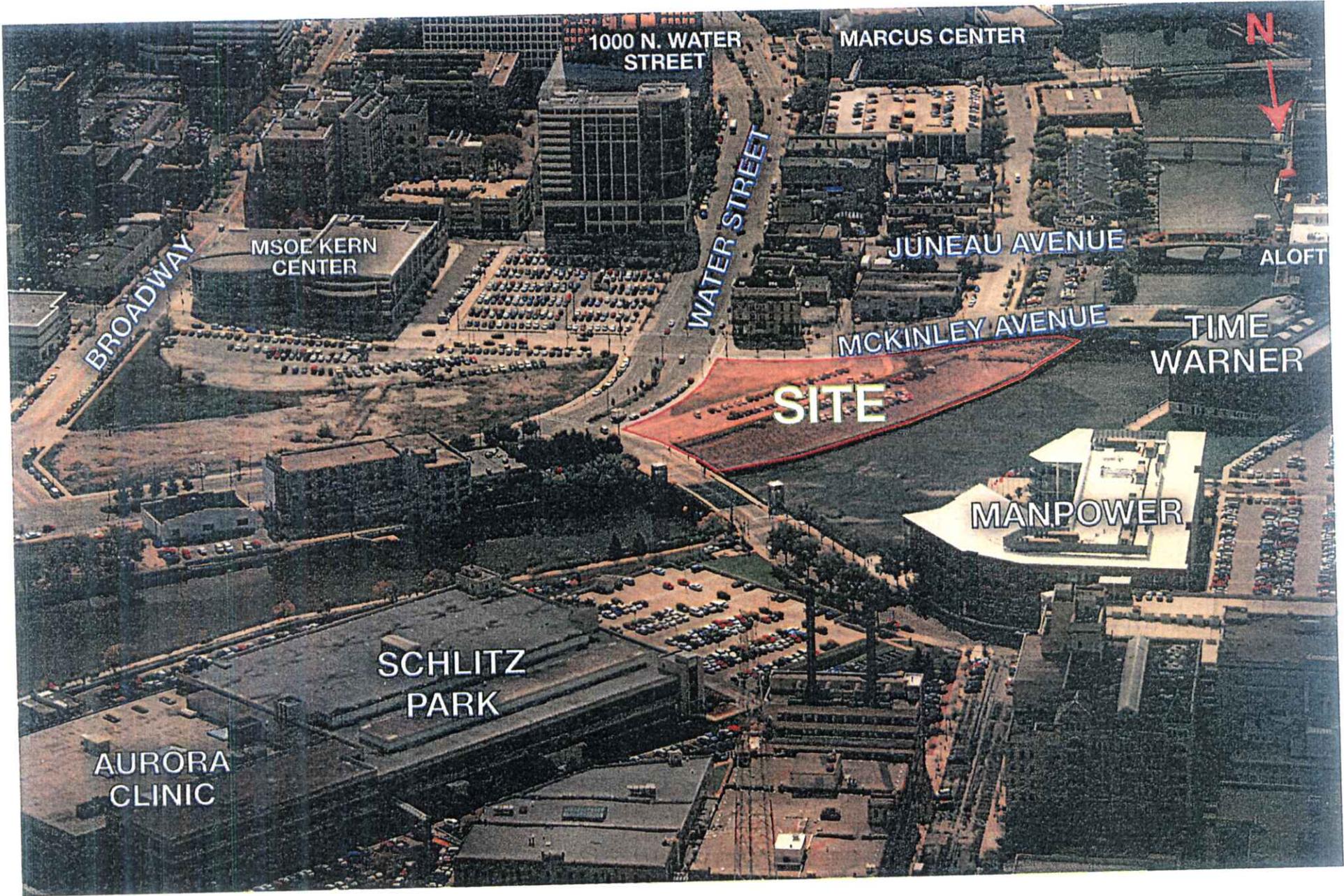
As we have discussed, our team including USAA Real Estate, continues to invest considerable time and money moving this catalytic project forward. Our focus at this time is securing the anchor tenant to the office tower component of the project which is essential to satisfy pre-leasing requirements intended to ensure the viability of the project. In fact, we are scheduled to meet on July 12th with a potential anchor tenant to provide details on our latest lease proposal. I anticipate being in a position on the 19th to bring the committee an up to the minute report on our progress. As you know, over the last year we have maintained the property (including removing litter, mowing and snow removal, lowering the cost of maintenance to the County) and would expect to continue such maintenance during the extension period.

Again, we appreciate the Committee's support and look forward to working with you and your staff to bring this project out of the ground as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Westling". The signature is fluid and cursive, written over the printed name below.

Bruce Westling, Managing Member
Rainier Properties II, LLC



1000 N. WATER STREET

MARCUS CENTER

N

BROADWAY

MSOE KERN CENTER

WATER STREET

JUNEAU AVENUE

ALOFT

MCKINLEY AVENUE

TIME WARNER

SITE

MANPOWER

SCHLITZ PARK

AURORA CLINIC





Rainier Properties II, LLC

Block 6 Development Downtown Milwaukee



environmental urban architecture



Rainier Properties II, LLC

Block 6 Development
Downtown Milwaukee



epstein aherne robertson

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File No.
(Journal,)

(ITEM), From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River, by recommending adoption of the following:

RESOLUTION

WHEREAS, Milwaukee County Board Resolution File No. 06-14(a)(a) was adopted on April 13, 2006, accepting a development proposal from MLG Development, the predecessor to Rainier Properties II, LLC (“Rainier”) for Block 6E, in the amount of \$676,000, which was \$72,000 above the appraised value; and

WHEREAS, the approved development, estimated at \$8 million, included a four-story mixed-use building, comprising 8,000 rental square feet of retail on the first floor, approximately 36,000 square feet of rentable office space on the upper three floors and up to 31 underground parking spaces. A nine (9)-month option to purchase with a three (3) month extension was granted to market the components of their proposed development and satisfy or obtain any and all purchase and development requirements, approvals or licenses/permits from the City of Milwaukee and/or other regulatory agencies. A \$15,000 nonrefundable option fee for the nine (9) month option period and an additional \$5,000 nonrefundable option fee for the three (3) month extension, with this twelve-month option period expiring April 30, 2007. A six (6) month extension was granted until October 31, 2007 for an additional \$10,000 option fee and the option was further extended until April 30, 2008 for an additional \$10,000. A \$15,000 fee was paid for an extension granted until October 31, 2008, a \$10,000 fee was paid for an extension until April 30, 2009 and the purchase price was increased \$24,000 from \$676,000 to \$700,000 for an extension until December 31, 2009. To date, \$65,000 in nonrefundable option fees have been paid; and

WHEREAS, Block 6E was marketed as a stand-alone mixed-use development site and the original proposal reflected a stand-alone mixed-use development for Block 6E, but the proposal also presented an alternative to develop Block 6E with a riverfront parcel controlled by Rainier across North Edison Street. Developing a landmark project on the 2.6-acre development site, which includes the .37-acre Block 6E, offers an opportunity for an architecturally harmonious environment, unequalled pedestrian circulation/river access and a significantly increased tax base beyond what could be achieved on only the .37-acre Block 6E; and

WHEREAS, Rainier continues to advance the development plan for Block 6E, as assembled with their riverfront parcel, despite the market uncertainty and the lack of any new major development projects occurring. A written update from Rainier, dated June 29,

46 2010, reinforces their commitment to advance the \$100 million project comprising an
47 office component, retail, restaurant amenities, a fitness center and a state of the art motion
48 picture theater operated by the Marcus Corporation located above a 560-space parking
49 structure; and

50

51 WHEREAS, in spite of the challenging economic and market conditions, Rainier is
52 focusing their efforts on securing an anchor office tenant needed to satisfy the financing
53 pre-leasing requirement. Rainier and their team, continues to invest considerable time and
54 money to move this landmark project forward and USAA Real Estate Company maintains
55 their interest in funding the project. Therefore, to bring this project to a successful
56 completion Rainier is requesting a six-month extension to their option to purchase for
57 Block 6E until December 31, 2010; and

58

59 WHEREAS, in addition to the \$65,000 in nonrefundable option fees already
60 committed by Rainier and previously increasing their \$676,000 purchase price \$24,000 to
61 \$700,000, Rainier pledges to continue providing snow removal of the sidewalks
62 surrounding Block 6E and litter removal and mowing services, all of which helps to reduce
63 the County maintenance costs; and

64

65 WHEREAS, at their meeting on July 19, 2010, the Committee on Economic and
66 Community Development recommended extending the existing option to purchase with
67 Rainier for Block 6E until December 31, 2010; now, therefore,

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69 BE IT RESOLVED, the Manager of Real Estate Services is hereby authorized to
70 extend the existing option to purchase with Rainier for Block 6E until December 31, 2010.

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74 Blk6EJuly10extReso

75

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: June 29, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	
	Revenue	0	
	Net Cost	0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Extending the existing option to purchase for Block 6E until December 31, 2010 will not include the payment of an extension fee. The \$65,000 nonrefundable option fee paid to date will be credited toward the \$700,000 purchase price, but will not be refunded if the option is not exercised and the purchase is not finalized.

Department/Prepared By Craig C. Dillmann

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE : July 12, 2010

TO : Supervisor Theodore Lipscomb, Vice Chair
Committee on Economic and Community Development

FROM : Craig C. Dillmann, Manager of Real Estate Services
Department of Transportation and Public Works

SUBJECT : From UWM Innovation Park, LLC requesting an extension to the contingency period in the Real Property Purchase Agreement for County-owned land located in the Northeast Quadrant of the County Grounds in the City of Wauwatosa.

BACKGROUND:

In May 2009 the Milwaukee County Board of Supervisors adopted Resolution File No. 09-14(a)(g) approving a Development Agreement and accepting a Real Property Purchase Agreement ("Purchase Agreement") from UWM Innovation Park, LLC ("UWM") for approximately 88.9 acres of land in the Northeast Quadrant of the County Grounds for the development of a new College of Engineering and Applied Science Campus, known as Innovation Park.

The County Board adopted Resolution File No. 09-14(a)(n) in December 2009 approving a Habitat Restoration Landscaping Plan ("Habitat Plan"), which preserves and protects the environmentally sensitive areas of the land to be acquired by UWM. In response to the County Board approving the Habitat Plan, it was necessary for UWM to modify their conceptual site development plan ("development plan") and Certified Survey Map ("CSM") before submitting them to the City of Wauwatosa ("City") to commence the City approval process. Also, to memorialize the requirements in the approved Habitat Plan and adopted County Board resolution the Purchase Agreement and Development Agreement were amended in February 2010.

Also in February 2010, UWM submitted to the City the zoning application, the modified development plan and CSM to begin the City approval process. Since the rezoning component of the approval process was anticipated to take a minimum of three (3) months, the County Board in March 2010 adopted Resolution File No. 10-14(a)(a), extending the March 31, 2010 Contingency Waiver Date in the Purchase Agreement to July 31, 2010. The City approval process was to include the discussion of a tax incremental district to assist with the installation of the needed infrastructure.

In May 2010, the City of Wauwatosa ("City") Common Council approved the Preliminary Business Planned Development, the change of zoning and the land division by CSM. In June 2010, the completed CSM was submitted to the City for review and if satisfactory, execution, whereby the executed CSM is thereafter recorded, thus legally describing the land to be conveyed to UWM. UWM continues to explore with the City the creation of the tax incremental financing ("TIF") for the Innovation Park infrastructure improvements. It was envisioned the City would consider the TIF in the July Common Council cycle, however, the City in cooperation with UWM, has determined it is prudent to undertake further financial analysis of the projected costs, anticipated increment and potential impacts of the TIF.

By the attached letter dated July 9, 2010, UWM is requesting an amendment to the Purchase Agreement extending the Contingency Waiver Date from July 31, 2010 to September 30, 2010, thereby keeping the Purchase Agreement in-force while the additional TIF analysis is being performed.

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend to the Milwaukee County Board of Supervisors an extension to the July 31, 2010 Contingency Waiver Date in the Purchase Agreement with UWM until September 30, 2010, with the closing occurring on or before October 30, 2010, if the closing contingencies are satisfied or waived.

FISCAL NOTE:

Extending the Contingency Waiver Date in the Purchase Agreement with UWM from July 31, 2010 to September 30, 2010, will result in the initial \$5.0 million in sale proceeds being realized at closing on or before October 30, 2010, if the closing contingencies are satisfied or waived.



Craig C. Dillmann, Manager
Real Estate Services

Meeting Date: July 19, 2010
Attachments

cc: Scott Walker, County Executive
Lee Holloway, County Board Chairman
Supervisor James Schmitt, District 19
Jack Takerian, Director, Transportation and Public Works

Cynthia Archer, Director of Administrative Services
Steve Kreklow, Fiscal and Budget Administrator
Steve Cady, Fiscal and Budget Analyst, County Board
Josh Fudge, Fiscal Mgt Analyst

cd\committee\UWMextensionJuly2010



Reinhart Boemer Van Deuren s.c.
P.O. Box 2965
Milwaukee, WI 53201-2965

1000 North Water Street
Suite 1700
Milwaukee, WI 53202

Telephone: 414-298-1000
Fax: 414-298-8097
Toll Free: 800-553-6215
reinhartlaw.com

July 9, 2010

SENT BY E-MAIL

Craig C. Dillmann
Manager of Real Estate Services
Milwaukee County
2711 West Wells Street, 5th Floor
Milwaukee, Wisconsin 53208

Dear Mr. Dillmann:

Re: July 1, 2009 Amended and Restated Real
Property Purchase Agreement between
Milwaukee County and UWM Innovation
Park, LLC (the "Purchase Agreement")

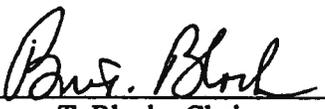
As you are aware, the Contingency Waiver Date in the Purchase Agreement expires on July 31, 2010. As you are also aware, the City of Wauwatosa is in the process of evaluating a request for the creation of a tax incremental district to assist with needed infrastructure improvements to UWM Innovation Park. The City has engaged an outside consulting firm to assist with its evaluation. The City, UWM Innovation Park, LLC and the City's consultant are working diligently to analyze the feasibility of the proposal; however, this work (and the creation of the tax incremental district, if found to be appropriate) will not be completed by the expiration of the Contingency Waiver Date. Accordingly, UWM Innovation Park, LLC respectfully requests that the County agree to amend the Purchase Agreement to extend the Contingency Waiver Date from July 31, 2010 to September 30, 2010.

If you have any questions, please contact the undersigned.

Very truly yours,

UWM Innovation Park, LLC

by UWM Real Estate Foundation, Inc., sole member

by 
Bruce T. Block, Chair

Craig C. Dillmann
July 9, 2010
Page 2

cc: Michael Orgeman (via email)
David Gilbert (via email)
John Schapekahn (via email)

(ITEM), From UWM Innovation Park, LLC requesting an extension to the contingency period in the Real Property Purchase Agreement for County-owned land located in the Northeast Quadrant of the County Grounds in the City of Wauwatosa, by recommending adoption of the following resolution:

A RESOLUTION

WHEREAS, in May 2009 the Milwaukee County Board of Supervisors adopted Resolution File No. 09-14(a)(g) approving a Development Agreement and accepting a Real Property Purchase Agreement (“Purchase Agreement”) from UWM Innovation Park, LLC (“UWM”) for approximately 88.9 acres of land in the Northeast Quadrant of the County Grounds for the development of a new College of Engineering and Applied Science Campus, known as Innovation Park; and,

WHEREAS, the County Board adopted Resolution File No. 09-14(a)(n) in December 2009 approving a Habitat Restoration Landscaping Plan (“Habitat Plan”), which preserves and protects the environmentally sensitive areas of the land to be acquired by UWM; and

WHEREAS, in response to the County Board approving the Habitat Plan, it was necessary for UWM to modify their conceptual site development plan (“development plan”) and Certified Survey Map (“CSM”) before submitting them to the City of Wauwatosa (“City”) to commence the City approval process. Also, to memorialize the requirements in the approved Habitat Plan and adopted County Board resolution the Purchase Agreement and Development Agreement were amended in February 2010; and

WHEREAS, in February 2010, UWM submitted to the City the zoning application, the modified development plan and CSM to begin the City approval process; and

WHEREAS, since the rezoning component of the City approval process was anticipated to take a minimum of three (3) months, the County Board in March 2010, adopted Resolution File No. 10-14 (a)(a), extending the March 31, 2010 Contingency Waiver Date in the Purchase Agreement to July 31, 2010. In addition to considering the rezoning, the City began the process of evaluating a request for the creation of a tax incremental district (“TID”) to assist with the needed infrastructure improvements to Innovation Park; and

WHEREAS, by a letter dated July 9, 2010, UWM requested an amendment to the Purchase Agreement extending the Contingency Waiver Date in the Purchase Agreement from July 31, 2010 to September 30, 2010, since the City, UWM and the City’s consultant continue to evaluate the feasibility and creation of the TID and this additional analysis will not be completed by the July 31, 2010 Contingency Waiver Date; and

46 WHEREAS, at their meeting on July 19, 2010, the Committee on Economic and
47 Community Development recommended extending the Contingency Waiver Date in the
48 Purchase Agreement with UWM from July 31, 2010 until September 30, 2010, and
49 pursuant to the Purchase Agreement the closing will occur on or before October 30, 2010,
50 if the closing contingencies are satisfied or waived; now, therefore,
51

52 BE IT RESOLVED, the Manager of Real Estate Services is hereby authorized to
53 extend the Contingency Waiver Date in the Purchase Agreement with UWM from July 31,
54 2010 until September 30, 2010.
55

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 9, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From UWM Innovation Park, LLC requesting an extension to the contingency period in the Real Property Purchase Agreement for County-owned land located in the Northeast Quadrant of the Countu Grounds in the City of Wauwatosa.

FISCAL EFFECT:

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| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	
	Revenue	0	
	Net Cost	0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

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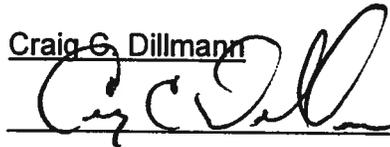
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Extending the Contingency Waiver Date in the Purchase Agreement with UWM from July 31, 2010 to September 30, 2010, will result in the initial \$5.0 million in sale proceeds being realized at closing on or before October 30, 2010, if the closing contingencies are satisfied or waived.

Department/Prepared By

Craig G. Dillmann

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

INTEROFFICE COMMUNICATION

DATE: July 12, 2010

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board
Supervisor Theodore A. Lipscomb, Vice Chairman, Economic &
Community Development and Committee Members

FROM: Freida Webb, Director
Community Business Development Partners

SUBJECT: Community Business Development Partners
Monthly Waiver Report, May 2010
Informational Only

DIRECTIVE:

The Office of Community Business Development Partners (CBDP) at the request of Committee on Economic & Community Development submits a monthly update on waivers requested and granted to various Milwaukee County Departments and Divisions that come through the CBDP office.

For the purpose of this report, waivers are contracts that have no disadvantaged business enterprise (DBE) participation. CBDP does not always have the benefit of receiving and or reviewing all contracts prior to services being engaged. This has been noted in this report, (“**Contracts without CBDP Review**”). Other such contracts only come to our attention via form 1684 from the Department of Administrative Services, (DAS) Accounts Payable Section. Subsequently we do not know, in all cases prior to contract signing if do or do not have DBE participation. Any and all waived contracts are shared and reviewed with Board Chairman Holloway before any approved waiver is granted.

BACKGROUND

The Office of Community Business Development Partners is responsible for implementing Federal and Milwaukee County DBE regulations. Implementation of the regulations includes establishing DBE goals on both Federal and County funded contracts, as well as monitoring the DBE compliance of departments. DBE goals are

**ECD Committee Report
CBDP Waiver Report May 2010
Page 2
July 12, 2010**

established based on Federal and County contracts where there are **“ready, willing and able” DBE firms available for contracting and or subcontracting opportunities.**

In the past, Milwaukee County measured participation by M/WBE standards; however, since January 2001, the County federalized its DBE Program to comply with 49 CFR 26. According to certification standards, the term "DBE" means a small business concern known as a Disadvantaged Business Enterprise (DBE) firm owned at least 51% by socially and economically disadvantaged individuals. Certain minority males and all women are presumed to be disadvantaged. Other individuals, including white males, may be certified if they demonstrate a preponderance of the evidence that they are indeed **socially and economically disadvantaged**. In addition each individual or firm must demonstrate their business size and personal net worth do not exceed the economic guidelines as well.

When the CBDP office receives a waiver request from a department, it is first reviewed by the department then forwarded to the County Board Chairman with a recommendation to either grant or deny the request. The Chairman may request CBDP gather more information to provide clarification regarding issues such as: 1) Is there anything else that can be done, directly or indirectly to include DBEs; 2) If DBE participation is not possible, is there a way to improve equal employment opportunity representation (i.e., employee diversity); and or 3) Can DBE participation be included for this company in other areas not related to this project.

In summary County Board Chairman Lee Holloway always make sure that additional steps have been taken to assure maximum DBE participation, or if not direct then “indirect” DBE participation. When and if all else fails the prime contactors must submit documentation to prove their Good Faith Efforts (GFE) which CBDP must then review to determine if it should be approved.

Disadvantaged Business Enterprise Goals are as follows:

Construction	25%
Time & Material (Construction)	25%
Professional Services	17%
Professional Services	
Construction Related	17%
Purchase of Service Agreements	17%

**ECD Committee Report
CBDP Waiver Report May 2010
Page 3
July 12, 2010**

Waiver Report Summary

Based upon the above the Milwaukee Community Business Development Partners (CBDP), Disadvantaged Business Enterprise (DBE) Waiver Report for February 2010 (Attachment "A") and March 2010 (Attachment "B")

Total Contract \$ Amount for April 2010	\$4,140,715.61
Total Approved Waivers \$ Amount	\$1,533,565.00
Total Unapproved Waivers	\$0.00
Percentage of Waived for Feb. 2010	37%

Prepared By:

Keith Garland,
CBDP Contract Compliance Manager

Mildred Hyde-Demoze,
CBDP Certification Manger

Approved By:

Freida Webb, CBDP Director

May 2010
Wavier Report

DEPARTMENT	Consultants /Contractors	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
------------	--------------------------	-------------------	-----------------	-----------------

CBDP Approved Waivers¹

BHD	Marquette University	Dr. Campbell, Principal Investigator	\$69,300	SAMHSA Grant for Treatment of Homeless
BHD	City of Milwaukee	EMS Services to County residents	\$1,350,000	Approved Waiver; Automatic 1yr. Renewal
Medical Examiner	Medical College of Wisconsin	Manage Forensic Training Program	\$40,365	Approved Waiver; 2-yr. Contract through 6/30/11
DHHS-Econ. Supp.	WI. Early Childhood Assn. (WECA)	Health/Safety training for Child Care	\$49,900	Approved Wavier; State Mandated

Contracts without CBDP Review²

Medical Examiner	Mobilex USA	Provide Imaging Services as needed	\$24,000	No CBDP Review
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Total Contract \$ Amount for May	\$4,140,715.61
Total Approved Waiver \$ Amount	\$1,533,565
Total Unapproved Waiver \$ Amt.	\$24,000
Percentage Waived	37%

¹Waivers approved by CBDP with County Board Chairman's Approval

² Contracts issued without DBE goals by Departments without CBDP review/approval. CBDP is aware of these projects when the accounts payable department forwards new contract information (form 1684) to the CBDP office.