

VIA E-MAIL

May 14, 2018

James M. Palenick
City Administrator
730 Washington Avenue
Racine, WI 53403

RE: Purchase Offer – 441 Lake Avenue (the “Transaction”)

Dear Purchaser,

Johnson Bank (“Seller”) is pleased to present this letter of intent (“LOI”) to sell the 100% fee simple ownership interest in the property located at 441 Lake Avenue, Racine, Wisconsin (the “Property”).

This letter constitutes an expression of our intent only, and that neither Seller nor Purchaser shall have any liability in connection with the transaction described below until such time as a contract relating to such transaction has been prepared, executed and delivered by both parties, hereinafter referred to as “Sales Contract.” Subject to the foregoing limitations, it is our intention to enter into a Sales Contract that contains, among others, the following terms and conditions:

- Purchaser: The City of Racine and/or assignment to a related entity.
- Purchase Price: Fair market value (“FMV”), not to materially exceed One-Hundred Thousand Dollars (\$100,000.00), as determined by a qualified appraiser and to be paid for by Seller.
- Feasibility Period: Purchaser shall have fifteen (15) business days from date of Sales Contract execution (the "Feasibility Period") to conduct any and all inspections of the property Purchaser deems necessary, in Purchaser’s sole discretion, including appraisals, code and property inspections by the Purchaser and third parties. Notwithstanding the foregoing, in no event may Purchaser conduct any sampling or intrusive testing without the advance written consent of Seller. Within the Feasibility Period, Purchaser may review any and all due diligence documents provided by Seller, which documents shall include the title insurance commitment provided by the Title Company. Seller shall deliver such documents related to the Property which it has in its actual possession. If Purchaser then gives Seller notification in writing within the Feasibility Period, then the Sales Contract shall terminate.
- Improvements: Seller shall be responsible for removing such portions of the existing structure, canopy and planters from the Property not deemed necessary in Seller’s sole discretion for the operation of Seller’s ATM/ITM (as discussed below) and deliver the remainder of the Property to Seller with a finished surface lot.
- Signage: Purchaser, at its sole expense, shall have the right to place its signage on the existing tower structure on the Property subject to prior approval by the Seller, which shall not be unreasonably withheld. Seller reserves the right, at its sole expense, to place signage on the ATM/ITM or any

portion of the canopy in accordance with city regulations. Notwithstanding anything to the contrary provided for herein, in no event shall Purchaser permit any competitor of Seller (defined herein as any bank, financial institution, financial services business, commercial or mortgage lender, insurance company or broker or any similar company (a "Seller Competitor")) to place any signage at the Property or on or over any current or future building or improvement located on the Property. This restriction against Seller Competitor signage shall be memorialized through a Deed Restriction recorded against the Property at Closing (as hereinafter defined).

Lease Back:

Seller (also referred to as "Tenant"), agrees to lease back a portion of the Property for no less than ten (10) years (the "Lease Term") to operate a 24 hour drive through ATM/ITM and for shared surface lot parking on the Property (for so long as the Property is used as a parking structure), Monday to Friday during Seller's normal business hours, by Tenant, its affiliates, its customers, employees, contractors and invitees. The lease rate shall be one-tenth (1/10) of the FMV annually during the Lease Term. Thereafter, the lease will renew for consecutive one (1) year terms (each a "Renewal Term") at current fair market rate to be negotiated. Either party may terminate the lease at the end of the Lease Term, or then existing Renewal Term, by providing the other party no less than one-hundred and eighty (180) days written notice prior to the end of the then current term. Seller shall be responsible for its own insurance, utilities, maintenance, replacement, repair obligations, lighting, signage and security related solely to the ATM/ITM. Purchaser shall be responsible for its own insurance, maintaining, repairing and replacing the Property as needed to keep it in good condition, the surface lot and parking structure, property maintenance, day-to-day snow removal, landscape maintenance, and cleaning obligations accruing during the Lease Term and any Renewal Term. The form of lease between Purchaser and Tenant, to be executed at Closing, shall be provided to Purchaser promptly following execution and delivery of the Sales Contract by the parties, and shall be agreed to in writing during the Feasibility Period.

Future Use:

If during the Lease Term, or any Renewal Term, Purchaser desires to re-develop or re-purpose the Property, Purchaser must first obtain Seller's written pre-approval. Notwithstanding anything to the contrary provided for herein, in no event shall the Property ever be used by Purchaser or any successor, tenant or occupant for a use that is a Seller Competitor (for any use whatsoever, including without limitation, office or ATM or ITM use), or as any use that is objectionable to Seller (the "Seller Objectionable Use"). In the event that Purchaser or any successor desires to change the use of the Property from its current use as a parking structure, it shall provide such proposed use to Seller in writing, and within ten (10) business days thereafter, Seller shall confirm whether the proposed use is a Seller Objectionable Use. If it is determined by Seller, in its sole discretion, that the proposed use is a Seller Objectionable Use, in no event shall the Property be used for such Seller Objectionable Use. Seller and Purchaser agree redevelopment of the property for general

office, retail and/or hospitality would not be an Objectionable Use. The restriction above shall be included as a deed restriction against the Property. In the event that Purchaser does re-develop the Property for use other than parking (a "Redevelopment"), Seller shall continue the right to maintain its ATM/ITM at the Property in a commercially reasonable manner, in a commercially reasonable location, and any relocation costs or expenses caused by the Purchaser's desired Redevelopment of the Property shall be borne solely by Purchaser.

- Commission:** Each of Purchaser and Seller represents that is has not dealt with any brokers, finders or agents related to the transaction.
- Closing:** Closing shall occur on a date selected by Seller, which is a business day, occurring no earlier than September 30, 2018 and no later than December 31, 2018, with Seller to provide Purchaser with at least ten (10) business days advance written notice of the actual date of Closing.
- Closing Costs:** Purchaser shall pay any costs associated with property inspections and any loan fees. Seller will provide the most recent existing survey, if any in Seller's possession, and if it is not in Seller's possession or unacceptable to the Title Company, Purchaser shall pay for a new or updated survey acceptable to the Title Company. The Seller will pay costs of Owner's title policy of insurance. Each party shall pay their respective attorneys' fees. All other costs shall be shared equally as is customary in the State of Wisconsin. Rents under the Lease (as defined below) shall commence as of the date of Closing.
- AS-IS Sale:** Seller shall sell the Property to Purchaser on a strictly AS-IS basis, without any representation or warranty whatsoever, except regarding warranty of title as to be described in the Sales Contract.
- Confidentiality:** This proposal is being delivered to Seller with the understanding that this LOI and its contents will remain strictly confidential except as required by law, and except that Purchaser and Seller may, at their discretion, discuss the proposed Transaction with its, or its affiliates, agents, representatives, advisory committees, advisors, current and prospective partners and investors, and third parties concerning its due diligence review. Both parties agree that they will not issue any public statement or press release in connection with the Transaction contemplated by this LOI without the prior written consent of the other.

Seller is delighted to have the opportunity to enter into this LOI with Purchaser. We look forward to discussing the transaction with you at your earliest convenience. If the terms contained herein are acceptable to you, kindly execute a counterpart of this letter and return the same to us by Monday, May 21, 2018 or such time as communicated by the Seller, or these terms and conditions shall be null and void.

Very truly yours,

JOHNSON FINANCIAL GROUP

By: _____
Mark Behrens
EVP – Chief Financial Officer

ACCEPTED AND AGREED this _____ day of May, 2018:

CITY OF RACINE

By: _____

Its: _____

cc: Brent Hess
Jeffrey Blonski