

GRANT AGREEMENT

This agreement made and entered into this ____ day of _____, 2018, by and between the City of Racine (“City” or “Grantor”), a municipal corporation, and Wild Root Market Cooperative (“Grantee”), a membership cooperative, collectively described herein as “the Parties.”

Recitals

WHEREAS, pursuant to Racine Code of Ordinances section 42-266, Grantor has established the Intergovernmental Revenue Sharing Fund (“IG Fund”); and

WHEREAS, the proceeds of the IG Fund are to be used in one or more of the manners described in Racine Code of Ordinances sections 42-267 and 42-268; and

WHEREAS, in addition to the terms described in more detail below, the construction of a cooperative grocery market in the City of Racine with a minimum investment of \$1,950,000 is determined to satisfy the conditions of the above-referenced Ordinances; and

WHEREAS, Grantee has applied for a grant from the City of Racine for the use of the funds and the City (Resolution #0115-18) and its Redevelopment Authority (Resolution 18-08) have determined that, upon compliance with the terms and conditions set forth below, a grant is an appropriate use of the IG Funds;

NOW THEREFORE, in consideration of the foregoing and the mutual undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantee and Grantor hereby agree as follows:

1. Grant. Subject to the terms and conditions herein, Grantor agrees to grant Grantee a total of \$390,000.00, to be distributed by two separate grants of \$175,000.00 and \$215,000.00, in two separate phases (“Phase 1” and “Phase 2”) upon the completion of two separate sets of conditions for each phase; however, Grantee must satisfy the conditions of Phase 1 to be eligible for the grant funds of Phase 2.

2. Project. Grantee agrees to invest a minimum of \$1,950,000.00 (“Minimum Investment”) in property acquisition, construction/rehabilitation, and purchase of equipment for a grocery market cooperative, which shall be located at 500 Walton Street and 2214 North Wisconsin Street, Racine, Wisconsin (the “Property”).

3. Additional Phase I Conditions.

- a. The Phase 1 grant shall be a grant for the purchase of the Property in the amount of \$175,000.

- b. Wild Root Market must provide an independent appraisal of the Property indicating that the Property is worth more than \$175,000.00.
- c. At the Property Closing (defined below) Grantee shall execute and record a mortgage, in form satisfactory to Grantor, against the Property in favor of Grantor or, at the option of Grantor, the City of Racine Redevelopment Authority (“RDA”), to secure the \$175,000.00 grant until the Release Conditions (as defined below) have been met. In addition, Grantee shall execute and record a recordable covenant (which may be part of the mortgage or provided via a separate form), in form satisfactory to Grantor, that provides that if Grantee has not closed on its private financing for the remainder of the Minimum Investment by December 31, 2019 and has not opened for business to the public at the Property on or before December 31, 2019 (collectively, the “Release Conditions”), Grantee shall deed the Property (by warranty deed) to Grantor and/or the RDA (at Grantor’s option) in lieu of Grantor (or the RDA, as applicable) foreclosing on the mortgage. In such event, Grantor (or the RDA, as applicable) shall have no obligation to sell the Property back to Grantee or at any time lease the Property to Grantee. In the event that Grantee timely meets the Release Conditions, Grantor (or the RDA, as applicable) will record a release of the mortgage with the Racine County Register of Deeds.

Provided that Grantee provides Grantor at least 10 days’ prior notice as to the date of closing on the purchase of the Property (the “Property Closing”), Grantor will issue a check for Phase 1 in the amount of \$175,000.00 to Grantee simultaneous with the Property Closing.

4. Additional Phase 2 Conditions.

- a. Documentation of the Minimum Investment requirement described above shall be made by providing copies of contractors’ invoices to City staff upon request;
- b. The grocery market cooperative is open for regular business no later than December 31, 2019;
- c. Grantee hires and maintains a minimum of ten (10) Full Time Equivalent employees on staff, and that it establish and maintain a policy of hiring preference goals targeting employees from historically disadvantaged and/or

minority groups proportionate to or exceeding the percentage of said groups within the greater population makeup of the City of Racine;

- d. Grantee closes on private financing for its overall Minimum Investment;
- e. Grantee's board of directors adopts a policy guaranteeing its employees will receive wages and benefits similar to local comparable full-service grocers, for the express purpose of ensuring that Grantee does not obtain a competitive advantage over other local full-service grocers and cooperatives which have not received public assistance such as is being granted hereunder;
- f. Grantee's board of directors must contract or subcontract for its construction activities using a contractor who engages with and utilizes State or Federally sanctioned apprenticeship programs, and who further establishes a program goal to draw from graduates of local pre-apprenticeship training programs;
- g. Grantee's board of directors must adopt a local hiring goals policy and agree that a minimum of twenty (20) percent of its employees will be residents of the City of Racine.

Grantor reserves the right to audit Grantee for compliance with the above-listed conditions for up to 36 months after the certificate of occupancy is issued.

Provided that Grantee provides Grantor at least 10 days' prior notice as to the date of closing on the private financing (the "Financing Closing"), Grantor will issue a check for Phase 2 in the amount of \$215,000.00 to Grantee simultaneous with the Financing Closing.

5. Indemnification. Grantee covenants not to sue and agrees to indemnify, defend, hold harmless Grantor, its departments, officers, agents and employees from and against any and all costs (no limitation), damages, expenses or liability for personal injuries, bodily injuries, death or property damage arising out of the acts or omissions of the Grantee, its officers, employees, agents, volunteer workers, program participants, or frequenters of the project arising from the grant or the use of the funds granted hereunder.

6. Limitation of Liability. Except for the indemnity obligations set forth in this Agreement, the Parties waive any claims that each may have against the other with respect to punitive or other special damages, however caused, which may arise out of this Agreement. In addition, neither Party shall be liable to the other for any lost revenue, lost profits or loss of technology.

7. Modification. This Agreement may be modified or extended only upon the express written consent of all Parties.

8. Notices. Any notice required herein shall be in writing and shall be deemed effective and received (a) upon personal delivery; (b) five days after deposit in United States mail, certified mail, return receipt requested, postage prepaid; or (c) one business day after deposit with a national overnight air courier, fees prepaid, to Seller or Buyer at the following addresses:

If to Grantor: City Clerk, City of Racine
730 Washington Avenue, Room 103
Racine, Wisconsin 53403

With a copy to: Department of City Development
City of Racine
730 Washington Avenue, Room 102
Racine, Wisconsin 53403

If to Grantee: Board President
Wild Root Market Cooperative
500 Walton Avenue
Racine, Wisconsin 53402

9. Public Records. The Parties acknowledge Grantor's obligations under the Wisconsin Public Records Law and Wisconsin Open Meetings Law, Wis. Stat. §§19.31-19.39 and 19.85-19.98. In the event that a request for records or information is received by Grantee, Grantee shall promptly notify Grantor of the request.

10. Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Wisconsin. The parties hereby stipulate and agree that any action or other legal proceeding arising under or in connection with this Agreement shall be commenced and tried in its entirety in the Wisconsin Circuit Court for Racine County, Wisconsin, and each party hereby agrees not to assert in any such action or proceeding that either of such courts lacks personal jurisdiction or is not a convenient forum and hereby waives, to the fullest extent permitted by law, any other right to contest the jurisdiction and/or venue thereof.

11. Integration. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes any and all oral, written or other negotiations, warranties, agreements in regard thereto.

12. Severability. If any provision of this Agreement is held invalid, illegal or unenforceable by a court or agency of competent jurisdiction, the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired.

[SIGNATURE PAGE TO FOLLOW]

In executing this document, the undersigned affirms that he/she is an Owner of Wild Root Cooperative Market, and is duly authorized by the organization to execute this Agreement.

WILD ROOT MARKET COOPERATIVE

By: _____
Print name: Rose Nelson Date
Title: Executive Director & Board President

CITY OF RACINE

By: _____
Cory Mason, Mayor Date

ATTEST:

By: _____
Tara McMenamin, Assistant City Clerk Date

Provisions have been made to pay the liability that will accrue hereunder.

By: _____
David Brown, Finance Director Date

APPROVED AS TO FORM:

By: _____
Scott R. Letteney, City Attorney Date