

WB-13 VACANT LAND OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON _____ [DATE] IS (AGENT OF BUYER)
2 (~~AGENT OF SELLER/LISTING BROKER~~) (~~AGENT OF BUYER AND SELLER~~) **STRIKE THOSE NOT APPLICABLE**

3 **GENERAL PROVISIONS** The Buyer, _____
4 _____, offers to purchase the Property

5 known as [Street Address] _____
6 in the _____ of _____, County of _____, Wisconsin (Insert
7 additional description, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525), on the following terms:

8 ■ PURCHASE PRICE: _____
9 _____ Dollars (\$ _____).

10 ■ EARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ _____
11 will be mailed, or commercially or personally delivered within _____ 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 the
15 date of this Offer not excluded at lines 18-19, and the following additional items: _____

16 _____
17 _____

18 ■ NOT INCLUDED IN PURCHASE PRICE: _____
19 _____.

20 **CAUTION: Identify Fixtures that are on the Property (see lines 290-294) to be excluded by Seller or which are rented
21 and will continue to be owned by the lessor.**

22 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are
23 included/excluded. Annual crops are not part of the purchase price unless otherwise agreed.**

24 ■ ZONING: Seller represents that the Property is zoned: _____.

25 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical
26 copies of the Offer.

27 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines
28 running from acceptance provide adequate time for both binding acceptance and performance.**

29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on
30 or before _____. Seller may keep the Property on the

31 market and accept secondary offers after binding acceptance of this Offer.
32 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

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

36 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and
37 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 38-56.

38 (1) Personal Delivery: giving the document or written notice personally to the Party, or the Party's recipient for delivery if
39 named at line 40 or 41.

40 Seller's recipient for delivery (optional): _____

41 Buyer's recipient for delivery (optional): _____

42 (2) Fax: fax transmission of the document or written notice to the following telephone number:

43 Seller: (_____) Buyer: (_____)

44 (3) Commercial Delivery: depositing the document or written notice fees prepaid or charged to an account with a
45 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 40 or 41, for
46 delivery to the Party's delivery address at line 49 or 50.

47 (4) U.S. Mail: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,
48 or to the Party's recipient for delivery if named at line 40 or 41, for delivery to the Party's delivery address at line 49 or 50.

49 Delivery address for Seller: _____

50 Delivery address for Buyer: _____

51 (5) E-Mail: electronically transmitting the document or written notice to the Party's e-mail address, if given below at line
52 55 or 56. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for
53 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically
54 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

55 E-Mail address for Seller (optional): _____

56 E-Mail address for Buyer (optional): _____

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

59 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
 60 Offer at lines 458-464 or 526-534 or in an addendum attached per line 525. At time of Buyer's occupancy, Property shall be
 61 free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left
 62 with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

63 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
 64 notice or knowledge of Conditions Affecting the Property or Transaction (see lines 163-187 and 246-278) other than those
 65 identified in the Seller's disclosure report dated _____, which was received by Buyer prior to
 66 Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**
 67 and _____

68 _____
 69 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

70 **CLOSING** This transaction is to be closed no later than _____
 71 _____ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

72 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
 73 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association
 74 assessments, fuel and _____.

75 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

76 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

77 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

78 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
 79 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
 80 APPLIES IF NO BOX IS CHECKED)

81 Current assessment times current mill rate (current means as of the date of closing)

82 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
 83 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

84 _____.

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

89 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
 90 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5
 91 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
 92 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
 93 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

94 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
 95 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
 96 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are _____

97 _____ Insert additional terms, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525.

98 **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within _____ days of acceptance of this Offer, a list of all
 99 federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions,
 100 or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland
 101 preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve
 102 Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any
 103 penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be
 104 deemed satisfied unless Buyer delivers to Seller, within seven (7) days of Buyer's Actual Receipt of said list and disclosure, or
 105 the deadline for delivery, whichever is earlier, a notice terminating this Offer based upon the use restrictions, program
 106 requirements, and/or amount of any penalty, fee, charge, or payback obligation.

107 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs,**
 108 **as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller**
 109 **incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The**
 110 **Parties agree this provision survives closing.**

111 **MANAGED FOREST LAND:** All, or part, of the Property is managed forest land under the Managed Forest Law (MFL).
 112 This designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that
 113 encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as
 114 managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the
 115 new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources
 116 and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules.
 117 The DNR Division of Forestry monitors forest management plan compliance. Changes you make to property that is subject to
 118 an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause
 119 the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the
 120 local DNR forester or visit <http://www.dnr.state.wi.us>.

121 **FENCES:** Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares
 122 where one or both of the properties is used and occupied for farming or grazing purposes.

123 **CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and**
 124 **occupied for farming or grazing purposes.**

125 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that would be
 126 generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a
 127 non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more
 128 information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization
 129 Section or visit <http://www.revenue.wi.gov/>.

130 **FARMLAND PRESERVATION:** Rezoning a property zoned farmland preservation to another use or the early termination of a
 131 farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to
 132 3 times the class 1 "use value" of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection
 133 Division of Agricultural Resource Management or visit <http://www.datcp.state.wi.us/> for more information.

134 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S. Department
 135 of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective
 136 cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent plus one-half of the cost of
 137 establishing permanent ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more
 138 information call the state Farm Service Agency office or visit <http://www.fsa.usda.gov/>.

139 **SHORELAND ZONING ORDINANCES:** All counties must adopt shoreland zoning ordinances that meet or are more
 140 restrictive than Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land
 141 within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum
 142 standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface
 143 standards (that may be exceeded only if a mitigation plan is adopted) and repairs to nonconforming structures. Buyers must
 144 conform to any existing mitigation plans. For more information call the county zoning office or visit <http://www.dnr.state.wi.us/>.

145 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning restrictions, if any.
 146 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 147 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 148 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 149 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

150 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 151 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 152 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 153 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 154 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
 155 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 156 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 157 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 158 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 159 be held in trust for the sole purpose of restoring the Property.

160 **DEFINITIONS**

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

163 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 164 defined to include:

- 165 a. Proposed, planned or commenced public improvements or public construction projects which may result in special
 166 assessments or otherwise materially affect the Property or the present use of the Property.
- 167 b. Government agency or court order requiring repair, alteration or correction of any existing condition.
- 168 c. Land division or subdivision for which required state or local approvals were not obtained.
- 169 d. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 170 e. A portion of the Property being subject to, or in violation of, a farmland preservation agreement or in a certified farmland
 171 preservation zoning district (see lines 130-133), or enrolled in, or in violation of, a Forest Crop, Managed Forest (see lines
 172 111-120), Conservation Reserve (see lines 134-138), or comparable program.
- 173 f. Boundary or lot disputes, encroachments or encumbrances, a joint driveway or violation of fence laws (Wis. Stat. ch. 90)
 174 (where one or both of the properties is used and occupied for farming or grazing).
- 175 g. Material violations of environmental rules or other rules or agreements regulating the use of the Property.
- 176 h. Conditions constituting a significant health risk or safety hazard for occupants of the Property.
- 177 i. Underground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,
 178 including, but not limited to, gasoline and heating oil.
- 179 j. A Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, pesticides, herbicides,
 180 fertilizer, radon, radium in water supplies, lead or arsenic in soil, or other potentially hazardous or toxic substances on the
 181 premises.
- 182 k. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 183 l. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 184 Property.
- 185 m. Defects in any well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-
 186 service wells and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned
 187 according to applicable regulations.

188 **(Definitions Continued on page 5)**

IF LINE 190 IS NOT MARKED OR IS MARKED N/A, LINES 230-236 APPLY.

189

190 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written _____

191 _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage

192 loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an

193 amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years.

194 Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may

195 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance

196 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination

197 fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed amount,

198 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the

199 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

200 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 201 or 202.**

201 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.

202 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest

203 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per

204 year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal

205 and interest may be adjusted to reflect interest changes.

206 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 458-464 or
207 526-534 or in an addendum attached per line 525.

208 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a

209 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described

210 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no

211 later than the deadline at line 192. **Buyer and Seller agree that delivery of a copy of any written loan commitment to**

212 **Seller (even if subject to conditions) shall satisfy the Buyer's financing contingency if, after review of the loan**

213 **commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall**

214 **accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of**

215 **unacceptability.**

216 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide**

217 **the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN**

218 **COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS**

219 **ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

220 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this

221 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

222 commitment.

223 ■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already

224 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of

225 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is

226 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this

227 transaction on the same terms set forth in this Offer and this Offer shall remain in full force and effect, with the time for closing

228 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain

229 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

230 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party

231 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,

232 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering

233 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing

234 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands

235 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an

236 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

237 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised

238 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated

239 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon

240 purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to

241 Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon

242 purchase price, accompanied by a written notice of termination.

243 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether**

244 **deadlines provide adequate time for performance.**

DEFINITIONS CONTINUED FROM PAGE 3

- 245
- 246 n. Defects in any septic system or other sanitary disposal system on the Property or out-of-service septic systems not
247 closed/abandoned according to applicable regulations.
- 248 o. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface
249 foundations or waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic
250 or hazardous materials or containers for these materials were disposed of in violation of manufacturer's or government
251 guidelines or other laws regulating said disposal; high groundwater; adverse soil conditions (e.g. low load bearing
252 capacity, earth or soil movement, slides) or excessive rocks or rock formations.
- 253 p. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other
254 contaminated land, or soils contamination remediated under PECFA, the Department of Natural Resources (DNR)
255 Remediation and Redevelopment Program, the Agricultural Chemical Cleanup Program or other similar program.
- 256 q. Lack of legal vehicular access to the Property from public roads.
- 257 r. Homeowners' associations, common areas shared or co-owned with others, zoning violations or nonconforming uses,
258 conservation easements, restrictive covenants, rights-of-way, easements, easement maintenance agreements, or use of
259 a part of Property by non-owners, other than recorded utility easements.
- 260 s. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to
261 impose assessments against the real property located within the district.
- 262 t. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- 263 u. Property tax increases, other than normal annual increases; completed or pending property tax reassessment of the
264 Property, or proposed or pending special assessments.
- 265 v. Burial sites, archeological artifacts, mineral rights, orchards or endangered species.
- 266 w. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 267 x. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 268 y. Significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- 269 z. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial
270 injuries or disease in livestock on the Property or neighboring properties.
- 271 aa. Existing or abandoned manure storage facilities on the Property.
- 272 bb. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of
273 the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 274 cc. The Property is subject to a mitigation plan required by DNR rules related to county shoreland zoning ordinances that
275 obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county
276 (see lines 139-145).
- 277 dd. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion
278 charge or the payment of a use-value conversion charge has been deferred.
- 279 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
280 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
281 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
282 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
283 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
284 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
285 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
286 closing, expire at midnight of that day.
- 287 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
288 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
289 significantly shorten or adversely affect the expected normal life of the premises.
- 290 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land so as to be
291 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage
292 to the premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited
293 to, all: perennial crops; garden bulbs; plants; shrubs and trees and fences; storage buildings on permanent foundations and
294 docks/piers on permanent foundations.
- 295 ■ **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented on lines 18-19.**
- 296 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

PROPERTY DEVELOPMENT WARNING

297 If Buyer contemplates developing Property for a use other than the current use,
298 there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and
299 zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or
300 uses and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals,
301 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits,
302 subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of
303 development of, or a particular use for, a property. Optional contingencies which allow Buyer to investigate certain of these
304 issues can be found at lines 306-350 and Buyer may add contingencies as needed in addenda (see line 525). Buyer should
305 review any plans for development or use changes to determine what issues should be addressed in these contingencies.

306 **PROPOSED USE CONTINGENCIES:** Buyer is purchasing the Property for the purpose of: _____
307 _____
308 _____

309 [insert proposed use and type and size of building, if applicable; e.g. three bedroom single family home]. The optional
310 provisions checked on lines 314-345 shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers
311 written notice to Seller specifying those items which cannot be satisfied and written evidence substantiating why each specific
312 item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller
313 agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 314-350.

314 **ZONING CLASSIFICATION CONFIRMATION:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (~~Seller's~~)
315 ~~STRIKE ONE~~ ("Buyer's" if neither is stricken) expense, verification that the Property is zoned _____
316 _____ and that the Property's zoning allows the Buyer's proposed use described at lines 306-308.

317 **SUBSOILS:** This offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither
318 is stricken) expense, written evidence from a qualified soils expert that the Property is free of any subsoil condition which
319 would make the proposed use described at lines 306-308 impossible or significantly increase the costs of such
320 development.

321 **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** This Offer is contingent
322 upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither is stricken) expense, written evidence from
323 a certified soils tester that (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must
324 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the
325 Property as stated on lines 306-308. The POWTS (septic system) allowed by the written evidence must be one of
326 the following POWTS that is approved by the State for use with the type of property identified at lines 306-308 ~~CHECK~~
327 ~~ALL THAT APPLY~~: conventional in-ground; mound; at grade; in-ground pressure distribution; holding tank;
328 other: _____.

329 **EASEMENTS AND RESTRICTIONS:** This Offer is contingent upon Buyer obtaining, at (~~Buyer's~~) (Seller's) ~~STRIKE~~
330 ~~ONE~~ ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and restrictions
331 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or
332 significantly delay or increase the costs of the proposed use or development identified at lines 306-308.

333 **APPROVALS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if
334 neither is stricken) expense, permits, approvals and licenses, as appropriate, or the final discretionary action by the
335 granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's
336 proposed use: _____
337 _____.

338 **UTILITIES:** This Offer is contingent upon Buyer obtaining, at (~~Buyer's~~) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither
339 is stricken) expense, written verification of the following utility connections at the listed locations (e.g., on the Property, at
340 the lot line, across the street, etc.) ~~CHECK AND COMPLETE AS APPLICABLE~~: electricity _____;
341 gas _____; sewer _____; water _____;
342 telephone _____; cable _____; other _____.

343 **ACCESS TO PROPERTY:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~
344 (~~Buyer's~~) ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public
345 roads.

346 **LAND USE APPROVAL:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if
347 neither is stricken) expense, a rezoning; conditional use permit; license; variance; building permit;
348 occupancy permit; other _____ ~~CHECK ALL THAT APPLY~~, and delivering
349 written notice to Seller if the item cannot be obtained, all within _____ days of acceptance for the Property for its proposed
350 use described at lines 306-308.

351 **MAP OF THE PROPERTY:** This Offer is contingent upon (~~Buyer obtaining~~) (Seller providing) ~~STRIKE ONE~~ ("Seller
352 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a
353 registered land surveyor, within _____ days of acceptance, at (~~Buyer's~~) (Seller's) ~~STRIKE ONE~~ ("Seller's" if neither is stricken)
354 expense. The map shall show minimum of _____ acres, maximum of _____ acres, the legal description of the
355 Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,
356 if any, and: _____

357 ~~STRIKE AND COMPLETE AS APPLICABLE~~ Additional map features which may be added include, but are not limited to:
358 staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square
359 footage; easements or rights-of-way. **CAUTION: Consider the cost and the need for map features before selecting them.**
360 **Also consider the time required to obtain the map when setting the deadline.** This contingency shall be deemed satisfied
361 unless Buyer, within five days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for delivery of said map,
362 delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information
363 materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency.
364 Upon delivery of Buyer's notice, this Offer shall be null and void.

365 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land dimensions, total square footage, acreage
 366 figures, or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of
 367 rounding, formulas used or other reasons, unless verified by survey or other means.

368 **CAUTION: Buyer should verify land dimensions, total square footage/acreage figures and allocation of acreage**
 369 **information if material to Buyer's decision to purchase.**

370 **EARNEST MONEY**

**

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

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

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

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

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

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

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

411 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
 412 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this
 413 Offer except: _____.

414 If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of
 415 contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the
 416 date or Deadline is allowed before a breach occurs.

417 **TITLE EVIDENCE**

418 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
 419 (~~or trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as~~
 420 ~~provided herein~~), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
 421 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
 422 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report and
 423 in this Offer, general taxes levied in the year of closing and _____

424 _____
 425 _____
 426 _____

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

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

432 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's) (Buyer's) **STRIKE**
 433 **ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the
 434 effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
 435 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
 436 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 442-449).

437 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
 438 insurance commitment is delivered to Buyer's attorney or Buyer not more than _____ days after acceptance ("15" if left blank),
 439 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per
 440 lines 418-427, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements
 441 and exceptions, as appropriate.

442 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
 443 objections to title within _____ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In
 444 such event, Seller shall have a reasonable time, but not exceeding _____ days ("5" if left blank) from Buyer's delivery of the
 445 notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for
 446 closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the
 447 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver
 448 written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not
 449 extinguish Seller's obligations to give merchantable title to Buyer.

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

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

458 **ADDITIONAL PROVISIONS/CONTINGENCIES**

459 _____
 460 _____
 461 _____
 462 _____
 463 _____
 464 _____

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

468 If Buyer defaults, Seller may:

469 ~~(1) sue for specific performance and request the earnest money as partial payment of the purchase price; or~~

470 ~~(2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for~~
471 ~~actual damages.~~ as Seller's sole remedy.

472 If Seller defaults, Buyer may:

473 (1) sue for specific performance; or

474 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

475 ~~In addition, the Parties may seek any other remedies available in law or equity.~~

476 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
477 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution
478 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of
479 law those disputes covered by the arbitration agreement.

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

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

488 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of
489 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the
490 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,
491 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building
492 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,
493 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in
494 this Offer. Buyer and licensees may be present at all inspections and testing. ~~Except as otherwise provided,~~ Seller's
495 authorization for inspections does not authorize Buyer to conduct testing of the Property.

496 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**
497 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**
498 **material terms of the contingency.**

499 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
500 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.
501 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported
502 to the Wisconsin Department of Natural Resources.

11290 4-3-19

Property Address: ~~4136~~ Michigan Blvd., Racine, WI

SEE ADDENDUM

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s) of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____
507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached Addendum A _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____
527 _____
528 _____
529 _____
530 _____
531 _____
532 _____
533 _____
534 _____

535 This Offer was drafted by [Licensee and Firm] Godfrey & Kahn, S.C.

536 _____ on November 26, 2018

RACINE HARBORSIDE LLC, by Royal Capital Group, LLC, its Member
537 (x) By: _____ Date ▲ 3/18/19

538 Buyer's Signature ▲ Print Name Here ► Kevin L. Newell, Manager

RACINE HARBORSIDE LLC, by CDS Racine 2018, LLC, its Member

539 (x) By: _____ Date ▲

540 Buyer's Signature ▲ Print Name Here ► Michael Krolczyk, Manager

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

542 _____ Broker (by) _____

543 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER
544 SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON
545 THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.
CITY OF RACINE**

546 (x) _____

547 Seller's Signature ▲ Print Name Here ► Cory Mason, Mayor Date ▲

548 (x) _____

549 Seller's Signature ▲ Print Name Here ► _____, **City Clerk** Date ▲

550 This Offer was presented to Seller by [Licensee and Firm] _____

551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____

553 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

SEE ADDENDUM

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____

507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 543.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached Addendum A _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____
527 _____
528 _____
529 _____
530 _____
531 _____
532 _____
533 _____
534 _____

535 This Offer was drafted by [Licensee and Firm] Godfrey & Kahn, S.C.

536 _____ on November 26, 2018

537 RACINE HARBORSIDE LLC, by Royal Capital Group, LLC, its Member
538 (x) By: _____ on 3/18/19
539 Buyer's Signature ▲ Print Name Here ► Kevin L. Newell, Manager Date ▲

540 RACINE HARBORSIDE LLC, by CDS Racine 2018, LLC, its Member
541 (x) By: _____
542 Buyer's Signature ▲ Print Name Here ► Michael Krolczyk, Manager Date ▲

543 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
544 _____ Broker (by) _____

545 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER
546 SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON
547 THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.
548 CITY OF RACINE**

549 (x) _____
550 Seller's Signature ▲ Print Name Here ► Cory Mason, Mayor Date ▲

551 (x) _____
552 Seller's Signature ▲ Print Name Here ► _____, City Clerk Date ▲

553 This Offer was presented to Seller by [Licensee and Firm] _____

554 _____ on _____ at _____ a.m./p.m.

555 This Offer is rejected _____ This Offer is countered [See attached counter] _____
556 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

SEE ADDENDUM

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____

507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**
516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 ■ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES**
527 _____
528 _____
529 _____
530 _____
531 _____
532 _____
533 _____
534 _____

535 This Offer was drafted by [Licensee and Firm] _____

536 _____ on _____.

537 RACINE HARBORSIDE LLC, by Royal Capital Group, LLC, its Member

(x) By: _____ Date ▲

538 Buyer's Signature ▲ Print Name Here ▶

RACINE HARBORSIDE LLC, by RDS Racine 2018, LLC, its Member

539 (x) By: _____ Date ▲

540 Buyer's Signature ▲ Print Name Here ▶

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

542 _____ Broker (by) _____

543 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER
544 SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON
545 THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**
CITY OF RACINE

546 (x) _____

547 Seller's Signature ▲ Print Name Here ▶ Date ▲

548 (x) _____

549 Seller's Signature ▲ Print Name Here ▶ Date ▲

550 This Offer was presented to Seller by [Licensee and Firm] _____

551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____

553 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

ADDENDUM A

This Addendum is hereby attached to and made a part of that certain WB-13 Vacant Land Offer to Purchase (the “Offer”) between Racine Harborside LLC (“Buyer”) and City of Racine (“Seller”) for certain real property located in Racine, Wisconsin as more particularly described in the Offer and on Exhibit A attached hereto (the “Property”). If any term or provision of this Addendum conflicts or is inconsistent with any term or provision in the Offer, this Addendum shall control.

1. Seller Deliveries. Within five (5) business days after the Acceptance Date, Seller shall deliver to Buyer for Buyer’s review, true, correct and complete copies of all of the following documents in Seller’s possession or control relating to the condition of the Property: any property code violation notices, surveys, title reports and commitments, title policies, background title documents, environmental reports, inspection reports, structural and geotechnical surveys, utility bills from the previous two (2) years, unrecorded deed restrictions, and site plans affecting the Property. If Buyer fails to consummate the transaction contemplated by this Agreement, Buyer shall immediately return all such documentation (and copies and reproductions thereof) to Seller.

2. Feasibility and Inspection Contingencies. In addition to any contingencies set forth in the Offer and this Addendum, Buyer’s obligation to conclude this transaction is contingent upon Buyer obtaining within thirty (30) days after the Acceptance Date (the “Contingency Period”) an inspection report or reports and other information deemed appropriate by Buyer, from an inspector or inspectors of Buyer’s choice, which indicate to the satisfaction of Buyer that there are no defects or deficiencies in any part of the Property. During the Contingency Period, Buyer also shall determine, in its sole and absolute discretion, the feasibility and desirability of the Property to develop multifamily housing, retail and parking, including, without limitation, a Phase I (and, if desired by Buyer, Phase II) environmental assessment of the Property, soils testing (including without limitation geotechnical, seismic, surface and subsurface soils review), civil engineering studies (including without limitation survey, topographical, grading, drainage and utility studies), review of utilities and storm drainage, review of development feasibility (including, without limitation, architectural, engineering, biological and economic studies, zoning and intended use reviews, parcel map and traffic studies, wetlands exceptions, and both on- and off-site public improvement analysis), the physical, structural and mechanical condition of the Property, and other applicable reports and studies. Except as expressly provided elsewhere herein, Buyer shall be solely responsible for any and all costs incurred by Buyer in connection with its review, inspection and/or investigation of the Property.

During the Contingency Period, Buyer shall have the right, but not the obligation, to obtain at its sole cost and expense, in form and content satisfactory to Buyer, an environmental site assessment report from an environmental consultant of Buyer’s choice (“Assessment Report”) which concludes, to the satisfaction of Buyer, in Buyer’s sole judgment and discretion, that (a) the soils, groundwater and surface waters on, in and under the Property do not contain any pollutants, contaminants, toxic materials or hazardous substances, as such terms are defined under any applicable federal, state or local law, rule, regulation, ordinance or order; or any other environment or health-threatening materials, including, without limitation, petroleum products,

asbestos (whether friable or not), asbestos containing materials, mold, radon, lead and polychlorinated biphenyls (whether contained or not); (b) no pollutants, contaminants, toxic materials or hazardous substances, as such terms are defined under any applicable federal, state or local law, rule, regulation, ordinance or order have been disposed of, released, or are threatened to be released, or have come to be located or otherwise exist on the surface or in the subsurface soils of the Property or in any surface waters or groundwaters on, under or abutting the Property; (c) no underground storage tanks ("USTs") are present on the Property, and USTs which were present did not leak and were removed and disposed of in compliance with all applicable laws, rules, regulations and ordinances then or now in effect; (d) the results of the Assessment Report, together with information derived from any other source (hereinafter the "Environmental Audit"), establish to the satisfaction of Buyer, in Buyer's sole discretion, that there are no material environmental liabilities associated with ownership of the Property and that the Property is in compliance with all environmental laws; (e) the Property has not been used as a sanitary landfill, dump, industrial waste disposal area or similar usage; and (f) no further environmental investigation (including, but not limited to, a Phase II environmental site assessment) is recommended or warranted. Buyer's Environmental Audit may include the testing, sampling and analysis of the soils and groundwater components thereof. If Buyer does not give Seller written notice on or before the expiration of the Contingency Period that the feasibility and inspection contingencies set forth above have been satisfied or that Buyer waives the same, at Buyer's sole option, this Offer shall be null and void and all earnest money paid hereunder shall be immediately returned to Buyer.

Neither Seller, nor any person or entity acting by or on behalf of Seller, has made any representation, warranty, inducement, promise, agreement, assurance or statement, oral or written, of any kind to Buyer upon which Buyer is relying, or in connection with which Buyer has made or will make any decisions concerning the Property or its vicinity including, without limitation, its use, condition, value, compliance with "Governmental Regulations," existence or absence of Hazardous Substances, or the permissibility, feasibility, or convertibility of all or any portion of the Property for any particular use or purpose, including, without limitation, its present or future prospects for sale, lease, development, occupancy or suitability as security for financing. Moreover, Buyer expressly represents to Seller that Buyer has investigated and, by closing and purchasing the Property, is conclusively deemed to have investigated, all matters material to Buyer's decision to proceed with the purchase of the Property including, without limitation, any and all matters of any nature relating to the Property including, without limitation, the physical condition of the Property, the size, dimension, design or other condition of the Property, any mechanical, electrical, plumbing, structural or other physical or operational condition of the Property and/or the systems serving same whether observable or not, above or below ground or otherwise situated, any latent or patent construction defects, errors or omissions, compliance with law matters, Hazardous Substances and other environmental matters within, under or upon, or in the vicinity of the Property, including, without limitation, any Environmental Laws and Governmental Regulations. As used herein, the term "Governmental Regulations" means any laws (including Environmental Laws), ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, Hazardous Substances, occupational health and safety, handicapped access, water, earthquake hazard reduction, and building and fire codes) of any governmental or quasi-governmental body or agency claiming jurisdiction over the Property. As

used in this Agreement, the following definitions shall apply: "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, whether statutory or common law, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Clean Water Act, 33 U.S.C. § 1251, et seq. "Hazardous Substances" shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum-based products and petroleum additives and derived substances, lead-based paint, mold, fungi or bacterial matter, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

3. AS-IS Sale and Purchase. In the event Buyer waives the feasibility and inspection contingencies and proceeds to closing, Buyer acknowledges and agrees that Buyer is purchasing the Property in its existing condition, "AS-IS, WHERE-IS, WITH ALL FAULTS," and Buyer represents and warrants that, upon the Closing Date, it has made or has waived all inspections and investigations of the Property and its vicinity which Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property.

4. Buyer's Right to Extend Closing Date. Buyer shall have the right to extend the Closing Date for up to an additional one hundred fifty (150) days, provided that the Closing Date shall occur no later than October 1, 2019.

5. Financing Contingency. Buyer's purchase obligations hereunder are contingent upon Buyer, at Buyer's sole cost, obtaining third party financing for Buyer's development of the Property, which financing shall be acceptable to Buyer in Buyer's sole discretion. If Buyer does not terminate this Offer on or before the expiration of the Contingency Period by sending written notice to Seller within such period stating that Buyer's financing contingency under this Section 4 will not be satisfied, this financing contingency shall be deemed waived. Buyer agrees to pay all customary loan and closing costs in connection with its financing and for any title insurance policy required by its lender(s).

6. Access and Cooperation. At any time after the Acceptance Date, Buyer, its agents, inspectors, consultants, employees and designees shall have the right to enter upon the Property for the purpose of conducting inspections, studies and investigations of the Property including, but not limited to, the right to take and remove subsoil and vegetation samples therefrom, to perform Phase II environmental testing and to inspect and examine reports, records and plans and specifications relating to the Property; provided, however, that such inspections and other work shall not unreasonably interfere with Seller's occupancy of the Property. Buyer shall

provide Seller with 48 hours' notice of its intent to access the property. Seller agrees to reasonably cooperate with Buyer in Buyer's attempt to satisfy the contingencies set forth herein.

7. Payment of Purchase Price. The Purchase Price shall be paid by Buyer by delivering to Seller at closing a Promissory Note in the full amount of the Purchase Price in the form at that attached hereto as Exhibit B. At closing, Buyer shall also execute and deliver to Seller a mortgage on the Property securing repayment of the Promissory Note in the form as that attached hereto as Exhibit C.

8. Binding Contract. Seller and Buyer hereby acknowledge and agree that they intend this Offer to be a binding and enforceable agreement, subject to the terms and conditions set forth herein, and each party hereby waives any right to hereafter challenge the enforceability of this Offer on the basis that the contingencies set forth herein are at the sole discretion of Buyer. Buyer agrees to use its good faith efforts to satisfy all such contingencies. Seller acknowledges and agrees that such efforts by Buyer will require Buyer to expend significant time and money investigating the Property and attempting to satisfy all of the contingencies precedent to the purchase of the Property and the expenditure of such time and money by Buyer constitutes good and sufficient consideration to Seller for Seller accepting this Offer and agreeing to be bound hereto.

9. Warranties and Representations. In addition to the warranties and representations set forth elsewhere in this Offer, Seller hereby warrants and represents to Buyer, which warranties and representations shall survive the closing, that, as of the Acceptance Date and as of the Closing Date, the person executing this Offer on behalf of Seller is authorized to do so.

10. Brokers. Buyer warrants and represents that it has dealt with no brokers or other persons who might claim a brokerage commission or finder's fee in connection with this transaction, and will indemnify, defend and hold Seller harmless from and against any losses, costs (including reasonable attorneys' fees), liabilities, judgments and damages Seller may incur as a result of Buyer's breach of this warranty and representation. Seller warrants and represents that it has dealt with no brokers or other persons who might claim a brokerage commission or finder's fee in connection with this transaction, and will indemnify, defend and hold Buyer harmless from and against any losses, costs (including reasonable attorneys' fees), liabilities, judgments and damages Buyer may incur as a result of Seller's breach of this warranty and representation. This paragraph shall survive Closing.

11. Additional Provisions.

A. All of the terms, covenants and conditions of the Offer shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

B. The captions and section numbers appearing in the Offer are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of the Offer, nor in any way affect the Offer.

C. At the Closing, or thereafter if necessary, each party hereto shall, without cost or expense to the other party, execute and deliver to or cause to be executed and delivered to the other party, such further instruments of transfer and conveyance as may be reasonably requested, and take such other action as a party may reasonably require to carry out more effectively the transactions contemplated herein. This paragraph shall survive the Closing.

D. This Offer may be executed in counterparts. Signatures exchanged hereon via facsimile or email shall be binding.

E. Seller covenants and agrees that, prior to Closing, it shall keep confidential and not make any public disclosures concerning the subject matter of this Offer or its terms or conditions, except that Seller shall have the right to make such disclosures to Seller's attorneys, bankers, brokers, agents as Seller deems reasonably necessary.

F. Buyer may assign this Offer without the prior written consent of Seller; provided, however, Buyer shall provide to Seller a copy of the written assignment of the Offer.

[SIGNATURES ON NEXT PAGE FOLLOWING]

Dated this 18 date of March, 2019.

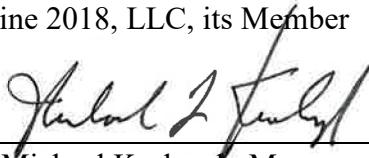
RACINE HARBORSIDE LLC

By: Royal Capital Group, LLC, its Member

By: 

Kevin L. Newell, Manager

By: CDS Racine 2018, LLC, its Member

By: 

Michael Krolczyk, Manager

This Offer is hereby accepted this _____ day of March, 2019.

CITY OF RACINE

By: _____
Cory Mason, Mayor

Attest: _____
_____, City Clerk

EXHIBIT A

Description of Property

Parcel A:

All of Lots 6, 7, 8, 9, 10 & 11, Knight and Cram's Subdivision of Block 58, Original Plat of Racine according to the recorded plat of said Subdivision.

Also that part of Block 56, Original Plat of Racine, as surveyed by Moses Vilas, according to the recorded plat thereof, lying Easterly of the recorded Plat of Knight and Cram's Subdivision. Also that part abutting said property known as Hamilton Street, as vacated from the East line of Michigan Boulevard Easterly to Lake Michigan. Also the North 290.00 feet of Block 57, of said Original Plat of Racine, excepting therefrom the real estate described in Quit Claim Deed from Walker Manufacturing Company of Wisconsin to the City of Racine dated March 21, 1958 and recorded April 21, 1958 in Volume 622 of Deeds, Page 507, Document No. 673654, as follows: "All that certain piece of parcel of land located in Northeast 1/4 Section 9-3-23 East; lying South of South line of Hubbard Street and East of line described as follows: Begin at a point in North line of Block 56, Original Plat of City of Racine; run thence from said point South 0 degree 22 minutes East to a point in Northerly boundary line of lands conveyed by Walker Manufacturing Company of Wisconsin a Wisconsin Corporation to W.H. Pugh Coal Company, a Wisconsin Corporation, by Warranty deed dated October 18, 1955 and recorded in the Office of the Register of Deeds from Racine County, Wisconsin on October 20, 1955 in Volume 582 of Deeds, Page 83, as Document No. 638690, in the Office of the Register of Deeds for Racine County, Wisconsin". Also excepting therefrom that portion conveyed to W.H. Pugh Coal Company by Deed dated October 18, 1955 recorded October 20, 1955 in Volume 582 of Deeds, Page 83, Document No. 638690, as follows:

"Beginning on the Easterly extended North line of Reichert Court as now laid out, at a point that is located 642.65 feet East of the East line of Michigan Boulevard, run thence North 180.00 feet; thence East to the waters of Lake Michigan, run thence Southerly along the waters edge of Lake Michigan to the extended centerline of said Reichert Court; thence West along the extended centerline of Reichert Court to a point 642.65 feet East of the East line of Michigan Boulevard; thence North to the place of beginning. Said land being in the City of Racine, County of Racine and State of Wisconsin; West line and North line of Document No. 638690 is delineated on a Plat of Survey that is on file at the Real Estate Description Department with file Number 642067, Job No. 98.146 Nielson Madsen and Barber. Also excepting therefrom the tract of land that is North of a line that begins at the Northeast corner of Lot 6 of Knight and Cram's Subdivision and extends East to Lake Michigan. Said Extended line is parallel to the North line of Block 56, of said Original Plat of Racine.

TOGETHER WITH that part of vacated Hubbard Street lying east of the right of way line of Michigan Boulevard to Lake Michigan, as contained in Resolution No. 4414, recorded on April 2, 2002, as Document No. 1824415; ALSO that part of vacated Reichert Court as contained in Resolution No. 3698, recorded on January 11, 2001, as Document No. 1754728.

Tax Key: 2485

Address: 1129 Michigan Boulevard

Parcel B:

All of Lots 1, 2, 3, 4, 5, 12, 13, 14, 15 & 16, Knight and Cram's Subdivision of Block 58, Original Plat of Racine, according to the recorded Plat of said Subdivision.

Also that part of Block 58, Original Plat of Racine, as surveyed by Moses Vilas, according to the recorded Plat thereof, lying Easterly of the recorded Plat of Knight and Cram's Subdivision that tract of land that is North of a line that begins at the Northeast corner of Lot 6 of Knight and Cram's Subdivision and extends East to Lake Michigan, said extended line is parallel to the North line of Block 58, of said Original Plat Racine. Excepting therefrom the real estate described in Quit Claim Deed from Walker Manufacturing Company of Wisconsin to the City of Racine dated March 21, 1958 and recorded April 21, 1958 in Volume 622 of Deeds, Page 507, Document No. 673854, as follows: "All that certain piece of parcel of land located in Northeast 1/4 of Section 9-3-23 East, lying South of the South line of Hubbard Street and East of line described as follows: Begin at a point in North line of Block 58 produced East, being Southerly line of Hubbard Street, which point is 980.40 feet North 89 degrees 35 minutes East from Northwest corner of Block 58, Original Plat of City of Racine; run thence from said point South 0 degree 22 minutes East to a point in Northerly boundary line of lands conveyed by Walker Manufacturing Company of Wisconsin, a Wisconsin Corporation, to W.H. Pugh Coal Company, a Wisconsin Corporation, by Warranty Deed dated October 18, 1955 and recorded in the Office of the Register of Deeds of Racine County, Wisconsin on October 20, 1955 in Volume 582 of Deeds, Page 83, as Document No. 638690. Said land being in the City of Racine, County of Racine and State of Wisconsin.

Tax Key: 2468

Address: 1231 Michigan Boulevard

EXHIBIT B

Form of Promissory Note

[See Attached]

PROMISSORY NOTE

\$3,250,864.00

Racine, Wisconsin
_____, 2019

FOR VALUE RECEIVED, Racine Harborside, LLC (“Maker”) promises to pay to the order of the City of Racine (“Payee”), the principal sum of Three Million Two Hundred Fifty Thousand Eight Hundred Sixty-Four Dollars (\$3,250,864.00). Commencing on December 1, 2020, and continuing thereafter annually on the 1st day of December of each year through December 1, 2033 (each an “Installation Payment Date”), Maker shall pay to Payee an annual installment of One Hundred Sixty Thousand Seven Hundred Seventy-Six and 00/100 Dollars (\$160,776.00) each; and on or before December 1, 2034, Maker shall pay to Payee a final balloon payment of One Million Dollars (\$1,000,000.00).

Notwithstanding the foregoing, the annual installments due hereunder, beginning with the third Installment Payment Date of December 1, 2022, and continuing through the fourteenth (14th) Installment Payment Date of December 1, 2033, the annual installment payable by Maker hereunder shall be equal to the lesser of (i) \$160,776.00.00; (ii) the net cash flow from the Property after payment of all amounts then due and owing under the Senior Debt, operating expenses for the Property and real estate taxes assessed against the Property, and (iii) an amount equal to the product of (A) the number of residential units within the Property leased and occupied as of the October 31st immediately preceding the applicable Installment Payment Date multiplied by (B) Six Hundred Fifty and 87/100 Dollars (\$650.87). Any shortfall in the annual installment payments payable on the third through the fourteenth Installment Payment Dates below the \$160,776.00 annual installment payment amount shall accrue and be added to the balloon payment due hereunder payable on or before December 1, 2034.

In any event, the then outstanding principal balance due under this Note shall be fully due and payable on December 1, 2034.

All payments due hereunder shall be paid to Payee at 730 Washington Avenue, Racine, Wisconsin 53403, Attention: _____, or to such other person or at such other address as Payee may from time to time direct.

Maker may prepay all or any portion of the unpaid principal balance of this Note at any time without penalty.

If (a) there is a default (i) in payment of any installment due hereunder, and if such default is not cured within ten (10) days after written notice of default, or (ii) in the performance of any of the terms, conditions or provisions contained herein, or in any other document securing or evidencing payment hereunder, or in any document executed and/or delivered by Maker in connection herewith, and if such default is not cured within thirty (30) days after notice to Maker, or (b) the Maker hereof should make an assignment for the benefit of creditors, become insolvent or be adjudged a bankrupt, or a receiver, trustee, custodian, liquidator or like officer be appointed to take custody, control or possession of any property subject to any lien, encumbrance or security interest securing payment of this Note, and if such receiver, trustee, custodian or liquidator is not discharged within sixty (60) days of the appointment, if the appointment was an involuntary proceeding, then the entire principal balance shall, at the option of Payee and without notice,

notice being hereby expressly waived, mature and be immediately due and payable, with interest after acceleration at the annual rate equal to six percent (6.00%). Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time or upon the occurrence of any subsequent event of default.

Maker waives and renounces presentment, protest, demand and notice of dishonor and any and all lack of diligence or delay in collection or endorsement hereof, and expressly consents to any extension of time, release of any party liable for this obligation, release of any security which may have been or which may hereafter be granted in connection herewith, or any other indulgence or forbearance which may be made without notice to Maker and without in any way affecting the liability of Maker.

Nothing contained herein nor any transaction related hereto shall be construed or shall so operate either presently or prospectively to require the payment or the doing of any act contrary to law; but if any clause or provision herein contained shall otherwise so operate to invalidate the Note and/or the transaction related hereto, in whole or in part, then such clause(s) and provision(s) only shall be held for naught as though not contained herein and the remainder of this Note shall remain operative and in full force and effect.

All of the covenants contained herein are joint and several and shall also bind, and the benefits hereof shall also inure to the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders. The rights and remedies of Payee as provided in this Note or any document securing this Note shall be cumulative and concurrent, and may be pursued singularly, successively or together against Maker, the property described in any mortgage securing this Note or any other security for the debt evidenced by this Note, and the discretion of Payee.

Maker agrees that if, and as often as, this Note is placed in the hands of an attorney for collection, or to defend or enforce any of the Payee's rights hereunder or under any document securing this Note, whether or not litigation is commenced, the undersigned shall pay to Payee, Payee's reasonable attorneys' fees, together with all court costs and other expenses incurred or paid by Payee in connection therewith.

This Note is secured by a Real Estate Mortgage of even date herewith ("Mortgage") encumbering the real property located at 1198 Michigan Boulevard, Racine, Wisconsin ("Property"). Payee acknowledges that the Mortgage and the indebtedness secured by such Mortgage and evidenced by this Note is and shall be subordinate to Maker's construction and permanent loans obtained for development of the Property ("Senior Debt"), and Payee agrees to execute such subordination and standstill agreements as may be requested by the holders of such Senior Debt from time to time to evidence and confirm such subordination and standstill agreement.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned Maker has executed this Note as of the date first above written.

RACINE HARBORSIDE, LLC

By: Royal Capital Group, LLC, its Member

By: _____
Kevin Newell, Manager

By: CDS Racine 2018, LLC, its Member

By: _____
Michael Krolczyk, Manager

EXHIBIT C

Form of Mortgage

[See Attached]

State Bar of Wisconsin Form 21-2003
MORTGAGE

Document Number

Document Name

Racine Harborside, LLC

("Mortgagor," whether one or more) mortgages to the City of Racine, a
Municipal corporation of the State of Wisconsin,
its successors or assigns ("Mortgagee," whether one or more), to secure
payment of \$3,250,864 evidenced by a note or notes, or other
obligation ("Obligation") dated _____,
executed by Racine Harborside, LLC

_____ to Mortgagee, and any extensions, renewals and modifications of the Obligation
and refinancings of any such indebtedness on any terms whatsoever (including
increases in interest) and the payment of all other sums, with interest, advanced
to protect the Property and the security of this Mortgage, and all other amounts
paid by Mortgagee hereunder, the following property, together with all rights
and interests appurtenant thereto in law or equity, all rents, issue and profits
arising therefrom, including insurance proceeds and condemnation awards, all
structures, improvements and fixtures located thereon, in Racine
County, State of Wisconsin ("Property"):

Recording Area

Name and Return Address

Parcel Identification Number (PIN)

This is not _____ homestead property.
(is) (is not)

This is _____ a purchase money mortgage.
(is) (is not)

1. MORTGAGOR'S COVENANTS.

a. **COVENANT OF TITLE.** Mortgagor warrants title to the Property, except restrictions and easements of record, if any, and further excepting: matters of record as of the date hereof.

b. **FIXTURES.** Any property which has been affixed to the Property and is used in connection with it is intended to become a fixture. Mortgagor waives any right to remove such fixture from the Property which is subject to this Mortgage.

c. **TAXES.** Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagee's interest in it and to deliver to Mortgagee on demand receipts showing such payment.

d. **INSURANCE.** Mortgagor shall keep the improvements on the Property insured against loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, without co-insurance, through insurers approved by Mortgagee, in the amount of the full replacement value of the improvements on the Property. Mortgagor shall pay the insurance premiums when due. The policies shall contain the standard mortgage clause in favor of Mortgagee, and evidence of all policies covering the Property shall be provided to Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee

otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.

e. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from future liens superior to the lien of this Mortgage and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default, Mortgagee may, at its option, declare the whole amount of the unpaid principal and accrued interest due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity. If this Mortgage is subordinate to a superior mortgage lien, a default under the superior mortgage lien constitutes a default under this Mortgage.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under paragraph 9, below) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats, as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. **SECURITY INTEREST ON FIXTURES.** To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:

CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:

- A. All fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired.
- B. All property listed on the attached schedule.

This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are c/o Racine Harborside, LLC, 710 N. Plankinton Avenue, Suite 300, Milwaukee, WI 53203; (6) the state of organization and the organizational identification number of the debtor (if applicable) are Wisconsin; and (7) the address of the secured party is 730 Washington Avenue, Racine, WI

13. **SINGULAR; PLURAL.** As used herein, the singular shall include the plural and any gender shall include all genders.

14. **JOINT AND SEVERAL/LIMITATION ON PERSONAL LIABILITY.** The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one. Unless a Mortgagor is obligated on the Obligation secured by this Mortgage, Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

15. **INVALIDITY.** In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

16. **MARITAL PROPERTY STATEMENT.** ~~Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor's marriage or family. See Addendum A attached hereto for additional terms and conditions which are hereby incorporated herein.~~

Dated _____

RACINE HARBORSIDE, LLC

By: CDS Racine 2018, LLC, its Member

By: Royal Capital Group, LLC, its Member

By:	_____ (SEAL)	By:	_____ (SEAL)
	*Michael Krolczyk, Manager		*Kevin Newell, Manager
	_____ (SEAL)		_____ (SEAL)
	*		*

AUTHENTICATION

ACKNOWLEDGMENT

Signature(s) _____

 authenticated on _____

 * _____
 TITLE: MEMBER STATE BAR OF WISCONSIN
 (If not, _____
 authorized by Wis. Stat. § 706.06)

STATE OF WISCONSIN)
) ss.
 _____ COUNTY)
 Personally came before me on _____,
 the above-named _____

 to me known to be the person(s) who executed the
 foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:

 * _____
 Notary Public, State of Wisconsin
 My Commission (is permanent) (expires: _____)

(Signatures may be authenticated or acknowledged. Both are not necessary.)

NOTE: THIS IS A STANDARD FORM. ANY MODIFICATIONS TO THIS FORM SHOULD BE CLEARLY IDENTIFIED.
 MORTGAGE STATE BAR OF WISCONSIN FORM NO. 21-2003

* Type name below signatures.

ADDENDUM A

Real Estate Mortgage

The following terms and conditions are incorporated into the foregoing attached Real Estate Mortgage:

16. Subordination.

a. Mortgagee hereby subordinates to each holder (each, a "Senior Lender") of any construction and permanent loan obtained by Mortgagor for the development of the Property and any refinancing thereof (the "Senior Debt"), all interests, rights, and title in and to all collateral securing the Senior Debt (the "Senior Collateral"), including but not limited to the Property, and all privileges, hereditaments, easements, and appurtenances, all rents, leases, issues, and profits, all claims, awards and payments made as a result of the exercise of the right of eminent domain, and all existing and future improvements and fixtures, if any, in respect of the Senior Collateral and the Property. Without limiting the foregoing, Mortgagee agrees that this Mortgage is and at all times shall be subordinate to each mortgage securing the Senior Debt. Until the Senior Debt is paid in full, the terms of the documents evidencing and securing the Senior Debt (the "Senior Loan Documents") shall control the application of income from the Senior Collateral and the disposition of insurance proceeds and condemnation proceeds from the Senior Collateral. After the occurrence of a default or event of default under the Senior Loan Documents that is not timely cured in accordance with the Senior Loan Documents, all payments of the principal balance of all indebtedness secured by this Mortgage (the "Junior Debt"), interest on, and all amounts due under any documents evidencing or securing the Junior Debt (the "Junior Loan Documents") shall be postponed and subordinated to the payment of the Senior Debt, whether from the rents, profits and other income of the Senior Collateral or the proceeds of the sale of the Senior Collateral, or any other source, until the Senior Debt is paid in full.

b. Mortgagee agrees that it will not contest the validity, perfection, priority, or enforceability of any lien or security interest of any Senior Lender in the Senior Collateral and that, as between any Senior Lender and the Mortgagee, the subordination provision set forth herein shall govern even if part or all of the Senior Debt or the liens and security interests of any Senior Lender securing payment thereof are avoided, disallowed, set aside, or otherwise invalidated in any judicial proceeding or otherwise.

c. Any Senior Lender shall have the exclusive right to take control or possession of any Senior Collateral; to collect on, hold, prepare for sale, process, sell, lease, dispose of, or liquidate any Senior Collateral; to restrict or permit, or approve or disapprove, the retention, sale, transfer, or other disposition of any Senior Collateral; and to enforce or settle any insurance claims with respect to any Senior Collateral.

17. Standstill. Mortgagee shall not commence a foreclosure action against the Property or any other Senior Collateral, or accelerate the Junior Debt or make any demand upon Mortgagor or take any legal action to collect the Junior Debt from Mortgagor, or enforce any

other remedy against Mortgagor under the Junior Loan Documents or otherwise, or institute any bankruptcy or receivership proceeding against Mortgagor (or otherwise cause Mortgagor to become subject to any bankruptcy or receivership proceeding), or join in any such action by other creditors of Mortgagor, other than the Senior Lender, so long as the Senior Debt remains outstanding. Notwithstanding the foregoing, Mortgagor may join any foreclosure or other action commenced by any Senior Lender.

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