

PURCHASE AND SALE AGREEMENT

This agreement made and entered into this ____ day of July, 2017, by and between the Redevelopment Authority of the City of Racine ("RDA" or "Seller"), a body politic, and Racine Revitalization Partnership, Inc. ("RRP" or "Buyer"), a domestic non-stock corporation, collectively described herein as "the Parties."

Recitals

WHEREAS, Seller holds title to the land located at 1418, 1420, 1422, and 1424 Washington Avenue, Racine, Wisconsin, (PIN 09185000) ("the Property");

WHEREAS, ON June 1, 2017, Seller, by Resolution 514-17, authorized entering into an option agreement with Buyer to buy the Property after Buyer conducted certain predevelopment activities, including but not limited to Phase I study, site plan and specifications, and market analysis;

WHEREAS, on June 20, 2017, the Parties executed an Option and Predevelopment Agreement ("Option Agreement"), wherein Seller granted Buyer the option to purchase the Property upon certain terms stated in the Option Agreement;

WHEREAS, Buyer wishes to purchase the Property.

Agreement

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

1. **Property Included in Sale.** Seller agrees to convey to Buyer, and Buyer agrees to purchase from Seller, together with all rights and easements appurtenant thereto and on the conditions contained in this Agreement, the parcel described in Exhibit A, more specifically described as follows:

That part of Lot 6, Block 1, Herrick's Addition, according to the recorded plat thereof, bounded as follows: Begin at the Southeast corner of said Lot6; run thence Westerly along Washington Avenue 50 feet; thence Northwesterly parallel with the West line of said Lot 6 to the East line of said Lot 6; thence Southeasterly along the East line of said Lot to the place of beginning. Said land being in the City of Racine, County of Racine, State of Wisconsin.

2. **Purchase Price/Remedies.** The total purchase price (the "Purchase Price") for property is One Hundred and One Dollars (\$101.00). The Purchase Price is payable by cashier's check or bank check in U.S. dollars deliverable at Closing. The Option Consideration of One

Hundred Dollars (\$100.00), paid by Buyer pursuant to the Option and Predevelopment Agreement, shall be credited to Buyer at Closing.

3. Closing. The word “Closing” or words of similar import as used in this Agreement will be construed to mean the originally fixed time and Closing Date specified in this Agreement or any adjourned time and date agreed to by the parties.

4. Closing Location and Date. The transactions contemplated under this Agreement shall be closed at the offices of Buyer’s title insurer within 30 days after Buyer’s exercise of this Agreement (the “Closing Date”).

5. Additional Terms and Conditions of Purchase and Sale. In addition to the purchase price, Buyer agrees to fulfill all of the contingencies of sale after closing:

- a. Buyer to stabilize and rehabilitate the Property to create a mixed-use commercial property, which shall include two first floor retail suites and two second floor apartments. The first floor suites shall be in white box condition upon completion, and the second floor apartments will be finished for occupancy. The two apartments will include one one-bedroom unit and one two-bedroom unit, and will be available for income-qualified renters, pursuant to the HOME Rental Rehabilitation Agreement executed on July 27, 2017 and the Land Use Restriction Agreement executed concurrently hereto. Buyer further agrees that the rehabilitation of the entire Property will be completed no later than 18 months from the Closing Date.
- b. Buyer agrees to execute a Land Use Restriction Agreement (“LURA”) at Closing. Buyer understands that the LURA, as well as all applicable federal rules, regulations, and restrictions applicable thereto, run with the land for a period of Fifteen (15) Years from the date of project completion, as defined by the HOME program.
- c. Buyer agrees to execute a HOME Program Promissory Note (“HOME Agreement”) with the City of Racine at Closing. The HOME Agreement is for the purpose of borrowing \$185,957.00 to be used for the purpose of rehabilitating the Property.
- d. Buyer agrees to obtain private financing in addition to any public monies (such as the HOME funds referenced above) to finance a portion of the rehabilitation costs in an amount up to and on the terms stated in Exhibit A hereto, from Town Bank or other private, non-governmental lender.
- e. If Buyer fails to comply with any of the contingencies listed above or elsewhere in this Agreement, and Buyer fails to remedy any violations within 30 days written notice of Seller to Buyer, Seller shall have a right of first refusal to purchase the Property from Buyer for the purchase price of \$1.00. This time limitation on this contingency shall run concurrently with the time period in the LURA. Nothing in this Agreement shall act to require Seller to take title to the Property.

6. Title. Seller shall convey to Buyer at closing all rights, title and interest Seller has in Parcel I.
7. Title Insurance. Buyer shall at Buyer's expense obtain a current owner's title insurance commitment ("Title Commitment") issued by the Title Company in a current standard ALTA form specified by Buyer in an amount equal to the Purchase Price, and if Buyer finds any exceptions or terms in the Title Commitment which are not acceptable to Buyer, Buyer may terminate this Agreement any time prior to Closing, without cost to either party.
8. Taxes. The Property is currently classified as tax exempt for the purpose of property taxes and will remain so for the balance of the 2018 tax year. Buyer acknowledges that the Property will become taxable due to the change in ownership, and agrees to pay all taxes assessed on or after January 1, 2019. Buyer acknowledges that Seller is conveying the Property with the express intent of creating a taxable parcel and, as such, agrees not to apply for an exemption at any time after the Closing Date. Any such application will render this agreement void, and triggers the right of first refusal provision in Section 5.e.
9. Property Condition Representations. Buyer has inspected the Property in accordance with this Agreement or will have the opportunity to do so and accepts the Property in its strictly "AS IS" condition without representation or warranty of any kind or nature, including, without limitation, any representations or warranties pertaining to the surface drainage or subsoil conditions of the Property.
10. Assignment. Buyer shall not assign or transfer this Agreement to any other corporation, organization, entity, or person without the express written consent of Seller.
11. Possession. Seller shall deliver possession of the Parcel to Buyer at closing, free and clear of any leases, tenancies, or occupancies by any person other than Seller.
12. Closing costs. Seller shall pay the fees of the Seller's attorney. Buyer shall pay the costs of the Title Policy, gap coverage and all endorsements to the Title Policy, transfer taxes, special assessment letter fees, the closing fee and the document preparation fee of the Title Company, recording fees on the deed transferring title to Buyer and the fees of the Buyer's attorney.
13. Limitation of Liability. Except for the indemnity obligations set forth in this Agreement, the Parties waive any claims that each may have against the other with respect to punitive or other special damages, however caused, which may arise out of this Agreement. In addition, neither Party shall be liable to the other for any lost revenue, lost profits or loss of technology.

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

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

If to Seller: City Clerk, City of Racine
730 Washington Avenue
Racine, Wisconsin 53403

If to Buyer: Ed Miller, Executive Director
1402 Washington Avenue
Racine, Wisconsin 53403

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

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

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

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

In executing this document, the undersigned affirms that he/she is a Member of Racine Revitalization Partnership, Inc., and is duly authorized by the organization to execute this Agreement.

RACINE REVITALIZATION PARTNERSHIP, INC.

By: _____
Print name: _____ Date _____
Title: _____

**REDEVELOPMENT AUTHORITY OF THE
CITY OF RACINE**

By: _____
James Spangenberg, Chairman Date _____

ATTEST:

By: _____
Amy Connolly, Executive Director Date _____

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

By: _____
David Brown, Finance Director Date _____

APPROVED AS TO FORM:

By: _____
Scott R. Letteney, City Attorney Date _____