



**Department of City Development**  
City Plan Commission  
Redevelopment Authority of the City of Milwaukee  
Neighborhood Improvement Development Corporation

**Rocky Marcoux**  
Commissioner  
rmarco@milwaukee.gov

**Martha L. Brown**  
Deputy Commissioner  
mbrown@milwaukee.gov

April 5, 2016

Mr. James R. Owczarski  
City Clerk  
City Hall, Room 205  
Milwaukee, WI 53202

Dear Mr. Owczarski:

Enclosed is a fully executed copy of Amendment No. 2 to the Real Estate and Cooperation Agreement between ACTS Community Development Corp. and the City of Milwaukee.

This document was executed pursuant to Common Council Resolution File No. 131632

Sincerely,

Scott A. Stange  
Procurement and Compliance Manager  
Department of City Development

Enclosure



**AMENDMENT NO. 2 to ACTS-City Agreement (Contract No. 14-008)**

CAO Doc 226344

This Amendment (“**Amendment**”) is dated as of NOON on **DECEMBER 30, 2015** (the “**Effective Date**”), and is by and between the City of Milwaukee (“**City**”) and ACTS Community Development Corporation (“**ACTS**”). The parties, for good and valuable consideration, receipt and sufficiency of which are acknowledged, agree as follows.

**RECITALS**

A. ACTS and City are parties to an “ACTS-City Real Estate & Cooperation Agreement” dated April 11, 2014 (the “**Contract**”) (No. 14-008), approved by the City’s Common Council in Resolution File No. 131632, which Contract calls for an initial Term ending at 4:00 P.M. on December 30, 2014, and which contemplates the possibility of Term extensions to include Year 2015 and 2016 .

B. On December 30, 2014, the City and Acts entered into Amendment No. 1 to the Contract to extend the Contract Term to include Year 2015.

C. Per Contract Section 6.B., the City provided ACTS with written notice in December 2015 that the City wished to further extend the Contract Term to include Year 2016. Per Section 6.B. ACTS and City now enter this Amendment No. 2 (i) to acknowledge the Term extension, (ii) to specify what the **Monthly Capacity Payment** shall be for Year 2016 and how same shall be calculated, and (iii) to specify what the **Milestone Payment** shall be for Year 2016 and how same shall be calculated.

D. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Contract.

**WHEREFORE**

1. **Term Extended.** The Contract Term is extended to include Year 2016.

2. **Monthly Capacity Payments – Year 2016.**

A. The Monthly Capacity Payment for 2016 shall be up to, and capped at, \$12,683.33 *per month* (i.e., capped at no more than a total of \$152,200 *for Year 2016*).

B. Per the August 5, 2014 clarifying letter from City to ACTS about Contract Section 20, the Monthly Capacity Payment may include a component of up to \$2,110.83 for Executive Director and Program Manager (as opposed to Assistant Director) pay for realigning, managing and supervising ACTS’ team including ACTS Rehab Specialist employees.

C. The Monthly Capacity Payment may also include a component for one ACTS Office Manager employee, hired after April 11, 2014, for up to 50% of that employee's actual hours and actual pay, for hours that that employee spends on ACTS activities under the Contract.

D. Accordingly, for Year 2016, Monthly Capacity Payments – subject to the maximum per month cap and the maximum per year cap, shall be available: for the aforesaid portion of ACTS Executive Director and Assistant Director pay; for the aforesaid portion of ACTS Office Manager pay; and for ACTS FTE rehab specialists per Contract Section 20.

E. The Monthly Capacity Payment, subject to the provisions hereof, shall be subject to the terms and conditions of the Contract, including Section 20, including adjustment under Section 20.

3. **2016 Milestone Payments – Year 2016.**

A. The Milestone Payments for 2016 shall be up to, and capped at, \$44,799, and be available for ACTS meeting production goals.

B. For Year 2016, and Sales/Closings in 2016:

- a \$14,933 Milestone Payment shall be paid by City to ACTS within 10 days after ACTS sells either (i) 30 City Homes hereunder (i.e., 30 successful Closings on PASA-transactions signed by City and A-ID Buyers), or (ii) a combination of City Homes and Market Homes totaling 30 where there are a minimum of 23 City Homes sold as part of that 30 (again, with successful Closings under respective PASAs). However, any such Milestone Payment shall be withheld if there are more than 20% of City Homes or Market Homes sold that have not received a Certificate of Code Compliance within 12 months of the respective sale.
- a \$14,933 Milestone Payment shall be paid by City to ACTS within 10 days after ACTS sells either (i) 45 City Homes hereunder (i.e., 45 successful Closings on PASA-transactions signed by City and A-ID Buyers), or (ii) a combination of City Homes and Market Homes totaling 45 where there are a minimum of 34 City Homes sold as part of that 45 (again, with successful Closings under respective PASAs). However, any such Milestone Payment shall be withheld if there are more than 20% of City Homes or Market Homes sold that have not received a Certificate of Code Compliance within 12 months of the respective sale.
- a \$14,933 Milestone Payment shall be paid by City to ACTS within 10 days after ACTS sells either (i) 60 City Homes hereunder (i.e., 60 successful Closings on PASA-transactions signed by City and A-ID Buyers), or (ii) a combination of City Homes and Market Homes totaling 60 where there are a minimum of 45 City Homes sold as part of that 60 (again, with successful Closings under respective PASAs). However, any such Milestone Payment shall be withheld if there are more than 20% of City Homes or Market Homes sold that have not received a Certificate of Code Compliance within 12 months of the respective sale.

C. For Milestone Payments, if any, withheld, per subsection B above, ACTS shall be entitled to payment prior to 2016 year end if the particular homes for the respective withheld payment have then been brought up to code.

D. At 2016 year end, the balance of remaining incentive Milestone Payment available funds for Year 2016 not yet paid to ACTS – up to the maximum cap of \$44,799 in total Milestone Payments available for the year – will be paid to ACTS, but only on a pro rata basis, and only after ACTS sells (and successfully closes on) at least (i) 45 City Homes, or (ii) 34 City Homes and 11 Market Homes. The proration will be based on the number of homes sold compared to ACTS' production goal of 60 homes in Year 2016, and will only be paid if ACTS surpasses the foregoing benchmarks of 45 City Homes or 34 City Homes and 11 Market Homes. For example, if ACTS sells 48 Homes (i.e., 48 successful Closings on PASA-transactions signed by City and A-ID Buyers, meeting the minimum number of City Homes to qualify for payment) (i.e., over 45 City Homes or over 34 City Homes plus 11 Market Homes as the case may be), then the pro rata payment of remaining Milestone Payment funds that will be paid to ACTS will be  $3/15 \times \$14,933 = \$2,986.60$ .<sup>1</sup> However, any such Milestone Payment shall be withheld if there are more than 20% of City Homes or Market Homes sold that have not received a Certificate of Code Compliance within 12 months of the respective sale; and ACTS shall be entitled to same if the particular homes for this respective withheld payment are brought up to code on or before the end of **March, 2017** –providing, however, that ACTS shall attempt to have all homes brought up to code by 2016 year end.

E. The Milestone Payments, subject to the provisions hereof, shall be subject to the terms and conditions of the Contract, including Sections 21.B. and C.

4. **City-Financing Addendum to PASA.** MCO<sup>2</sup> 304-49 was amended after the April 11, 2014 Effective Date of the Contract. ACTS is aware of the current form of MCO 304-49 (accessible through the City's website). Included in the 304-49 amendments were the amendments, effective October 31, 2014, by Common Council Resolution File 140612. For any City-owned parcel designated by the Common Council under 304-49-3-c that includes City or City-related financing, and for which City or City-related financing will be provided (including Loan Funds) (see below and see Contract Sections 22 and 23), ACTS shall ensure that the PASA presented to the City, under the Contract, for that particular parcel, includes a "Special Conditions MCO 304-49-3-c and 304-49-4.5 Addendum" (see **EXHIBIT A**) and that the PASA reflects that the Addendum applies.

5. **2016 Loan Fund Amounts for City Homes "Challenging Properties."**

A. Within 10 days of execution of this Amendment, City shall provide ACTS with \$50,000 for Year 2016 that shall be the Year 2016 "**Loan Fund Amount.**"

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<sup>1</sup> With milestones for the first two Milestone Payments met ( $\$14,933 \times 2 = \$29,866$ ), there will be \$14,933 in remaining Milestone Payment funds available for possible payment, on a prorata basis, to ACTS.

<sup>2</sup> Milwaukee Code of Ordinances.

B. The Loan Fund Amount shall be subject to the terms and conditions of the Contract including Sections 22 and 23.

6. **ACTS Reporting.**

A. **Monthly Reports.** ACTS reports to the City under Contract Section 25.A. for *monthly* periods in Year 2016, shall continue to include the substance required by the Contract, including Section 25.A., and also include:

(1) Regarding Monthly Capacity Payments, the Section 20.A. detail about ACTS rehab specialists as well as the same Section 20.A. detail for the ACTS Office Manager.

(2) The number of Closings on conveyances must specify, on a per-Closing basis for each address, whether the parcel is a City Home or Market Home.

(3) For loans made using Loan Fund Amounts, specify the name and address for each borrower.

(4) If any owner has not achieved code compliance by the previously reported estimated date for code compliance for that parcel, an update on the rehab status and steps ACTS is taking to ensure owner code compliance.

(5) Date of post-Closing occupancy, on a per parcel basis, for each City Home and Market Home conveyed.

B. **Year-End W-2's.** Annually, in January or as soon as available, ACTS shall provide to City a copy of the W-2 pertaining to the prior year wages for each ACTS Rehab Specialist as well as documentation of fringe benefits paid and a copy of the W-2 pertaining to the prior year wages for the ACTS Office Manager.

7. **PASA Form.** The Contract has attached to it as **EXHIBIT B** the form of PASA to be used if ACTS matches an A-ID Buyer with a City Home (see Contract Sections 7 and 12.A.). For Market Homes, ACTS is to use the PASA form available on the City's website (See Contract Section 13.A.). The Wisconsin Legislature on 2/29/16 enacted 2015 Wisconsin Act 176, and on 2/4/16 enacted 2015 Wisconsin Act 145. In light of those acts, for PASA's for City Homes, ACTS is to use a "clean" (non-redlined) version of the PASA attached hereto as **EXHIBIT B** (including the Deed attached thereto) rather than using the **EXHIBIT B** that is attached to the Contract. The redlines on the attached **EXHIBIT B** show the changes from the Contract **EXHIBIT B** to the attached **EXHIBIT B**.

8. **Other Contract Terms Unaffected.** Except as expressly amended hereby, all other terms and conditions of the Contract remain in full force and effect.

9. **Counterparts.** This Amendment may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile and/or email-PDF copies of signatures shall be accepted as originals.

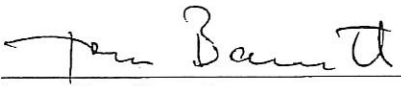
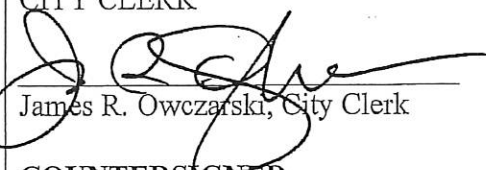
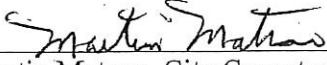

IN WITNESS WHEREOF, the parties hereto enter into this Amendment as of the Effective DATE.

<p><b>CITY: City of Milwaukee</b></p> <p>By: _____ Mayor Tom Barrett</p> <p>CITY CLERK</p> <p>_____</p> <p>James R. Owczarski, City Clerk</p> <p><b>COUNTERSIGNED</b></p> <p>_____</p> <p>Martin Matson, City Comptroller</p> <p>City Common Council Resolution File No. 131632</p> <p>CITY ATTORNEY APPROVAL (MCO 304-21)</p> <p>_____</p> <p>Gregg Hagopian, Asst. City Attorney</p>	<p><b>ACTS: ACTS Community Development Corporation</b></p> <p>By: <u>John Linfen</u> John Linfen, President</p> <p>And By: <u>Michael Gosman</u> Executive Director</p> <p>Name Printed: <u>Michael Gosman</u></p>
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*see counterpart*

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**EXHIBIT A**

**Special Conditions MCO 304-49-3-c and 304-49-4.5 Addendum  
City or City-Related Financing**

GH 12-3-2014 Draft, CAO 210487

This Special Conditions Addendum (“Addendum”) is made part of the City of Milwaukee Offer to Purchase (the “Offer”). All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Offer.

1. City informs Buyer that the local council member (defined in MCO 304-49-1-c) has asked to be provided with notice of this Offer under MCO 304-49-3-c.

2. Check one. Buyer \_\_\_\_\_ is or \_\_\_\_\_ is NOT seeking financing related to the purchase or rehabilitation of the Property from the City of Milwaukee, the Housing Authority of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, or the Neighborhood Improvement Development Corporation (herein called “City-Related Financing”).

3. If Buyer IS seeking City-Related Financing from any source listed in item 2 above, City DCD will provide a copy of this Offer to the local council member, and approval of the City-Related Financing and Closing are contingent upon either (a) approval by the local council member under MCO 304-49-4.5, or (b) failing local council member approval, approval by the common council under MCO 304-49-4.5.

If the requisite approval in MCO 304-49-4.5 is NOT obtained, City will provide Buyer with written notice of failure to obtain approval. Within 10 days of the date of that City notice to Buyer, Buyer may submit to City DCD a written waiver of the City-Related Financing and proof of available alternative funding to carry out the purchase and rehabilitation of the Property without the City-Related Financing. If the waiver is timely submitted and the proof of alternative funding is acceptable to City DCD, this Offer shall continue. If the waiver is not timely submitted, or if it is but the proof of alternative funding is not acceptable to City DCD, this Offer shall be deemed terminated, in which case, City has no duty to sell the Property to Buyer, and Buyer shall be entitled to return of any Earnest Money paid.

If the Expiration Date of the Offer Term occurs prior to City DCD ascertaining whether MCO 304-49-4.5 approval will happen, then City automatically, at no cost to Buyer, extends the Expiration Date (or, if applicable the Extended Date), to accommodate ascertainment of 304-49-4.5 approval status.

Buyer may terminate this Offer at any time after the Expiration Date of the Offer Term if City has not by the Expiration Date ascertained 304-49-4.5 approval status and provided written notice of same to Buyer. Any such Buyer termination must be by written notice to City, and if provided, that will terminate this Offer, in which case, City has no duty to sell the Property to Buyer, and Buyer shall be entitled to return of any Earnest Money paid.



**EXHIBIT B – CITY PURCHASE & SALE AGREEMENT (PASA) – CITY HOME**

**CITY OF MILWAUKEE - OFFER TO PURCHASE- ACTS PROGRAM (A-ID Buyer).**

3/9/2016; CAO 226344

**IMPROVED PROPERTY- 1-4 Residential Units (City Home) For Homeownership-Owner Only**

The Buyer \_\_\_\_\_ (“Buyer”) offers to purchase from the City of Milwaukee (“City”) all of the City’s right, title, and interest in the property at \_\_\_\_\_ Milwaukee, WI (“Property”) on the terms and conditions contained herein.

1. **Purchase Price.** Buyer offers to purchase the Property for \$1,000 (“Purchase Price”) to be paid to City by cashier’s check at Closing, subject to the prorations and deductions required hereby (“Net Price”).

At Closing, Buyer shall also pay to ACTS Community Development Corporation (“ACTS”) \$2,500 by cashier’s check, less a credit for the Earnest Money paid hereunder.

City provided Buyer with a general Scope of Work for informational purposes only. Buyer estimates rehabilitation costs will be \$ \_\_\_\_\_. Buyer will work with ACTS to develop a detailed Scope of Work. At Closing, Buyer shall provide evidence of financing and/or equity to fund the purchase and rehabilitation.

2. **Proposed Use.** Property shall be used as owner-occupied by Buyer (or if applicable a principle officer of Buyer).

If first-time home buyer, check here ►

3. **Broker.** While ACTS is a broker, ACTS is not entitled to a brokerage commission on this transaction. No other broker brought Buyer to City for this transaction or this Agreement for which a commission might be due.

4. **Earnest Money.** Earnest Money of \$750 shall be submitted by Buyer with this Offer and shall be held by ACTS in trust. The Earnest Money shall be payable to ACTS at Closing and then be credited toward the \$2,500 payment required hereunder to be paid ACTS at Closing. The Earnest Money is non-refundable except as provided herein. If the transaction fails to Close, due to breach by Buyer, Earnest Money shall be transferred by ACTS to City and same shall belong to City.

5. **Buyer Identification and Disclosures.**

Buyer is:  Married  Single person (Identify if  male  female for deed)  
(check as applicable)  Joint Tenants  Tenants in Common

If Buyer is a legal entity such as a corporation, limited liability company, general partnership or limited liability partnership, identify type entity, state law organized under, principle officers: \_\_\_\_\_

Buyer certifies, as of the Effective Date and of the date of Closing, and at all times inbetween, that every Buyer (and principal officer listed above, if any) is in compliance with the following “City General Buyer Policies”:

- a) Not delinquent in the payment of any property tax (real and personal property), special assessment, special charge or special tax to the City of Milwaukee.
- b) Not a party against whom the City has an outstanding judgment.
- c) Not have outstanding building or health code violations or orders from the City’s Health Department or Department of Neighborhood Services that are not actively being abated.
- d) Not a party who has been convicted of violating an order of the Health Department or Department of Neighborhood Services within the past year.
- e) Not been convicted of a felony that causes neighborhood or community concerns with respect to neighborhood stability, health, safety or welfare.
- f) Not subject to a property tax foreclosure by the City within the past five years.

*City may terminate an accepted Offer from a buyer that violates the City General Buyer Policies.*

City may reject an Offer from parties with outstanding City of Milwaukee offers or recently purchased property from City where improvements or renovations have not been completed.

Buyer certifies that Buyer (and any principle officer listed above, if applicable): has no outstanding accepted Offers to Purchase with City; and has not acquired other property from City for which all required rehabilitation, repair, improvement or development has not been completed. If otherwise, explain: \_\_\_\_\_.

Buyer certifies that Buyer (and any principle officer listed above, if applicable) is not an employee of the City of Milwaukee, Redevelopment Authority, Housing Authority, Milwaukee Economic Development Corporation or Neighborhood Improvement Development Corporation (collectively "City Agencies") or of ACTS. If otherwise, explain: \_\_\_\_\_.  
DCD, HACM and RACM employees must complete and submit with the Offer a DCD Conflict of Interest Form that has been signed by the employee's supervisor and DCD Commissioner. If employed by ACTS, identify position and length of employment: \_\_\_\_\_.

6. **Acceptance.** Submitted Offer must be signed by all parties of Buyer, and by ACTS, and acceptance occurs upon signature of the Commissioner of DCD or designee at which time this Offer becomes an agreement binding upon Buyer, City and ACTS ("Effective Date"). Buyer may withdraw the Offer at any time prior to delivery of the accepted Offer and, in case of such timely withdrawal, ACTS shall return the Earnest Money to Buyer.
7. **Offer Term.** The Offer shall commence on the Effective Date and be in effect for a period of 45 days ("Expiration Date"). Buyer must satisfy all contingencies and close on or before the Expiration Date. Under limited circumstances, the Offer may be extended by the City for up to 30 days ("Extended Date") upon submission by Buyer and City acceptance of a written request for such extension.
8. **No Buyer Financing Contingency.** This Offer is not contingent upon Buyer obtaining financing – provided, however, that Buyer may obtain financing from ACTS or conventional first mortgage lenders. If Buyer will obtain such permitted financing, state terms and lender:

Lender: \_\_\_\_\_

Amount \$ \_\_\_\_\_, Interest Rate \_\_\_\_\_, payable in monthly installments of \_\_\_\_\_ over \_\_\_\_\_ years.

*Buyer may not place or allow to exist any mortgage lien against the Property during the code-compliance restrictive covenant in the City-to-Buyer Deed (see below) other than a Buyer mortgage to ACTS, a buyer mortgage to a conventional first mortgage lender, or as consented to in writing by ACTS and City.*

9. **Property Condition.** City shall convey the Property in "as is, where-is" condition. Any scope of work or cost estimates provided by City are general and for informational purposes only. City does not warrant the content or conclusions of same. Buyer is encouraged to retain its own consultant to evaluate property and structure condition and renovation costs regarding the Property. Buyer agrees to work with ACTS regarding condition and cost evaluation, and also regarding post-Closing rehabilitation.

City has conducted no investigation of the structural condition of the improvements, survey of any encroachments or easement, or of the bearing capacity of the subsoil. The Property may contain lead-based paint if constructed prior to 1978, asbestos and underground storage tanks. Buyer acknowledges that City has no disclosure requirements, as Wisconsin Statute Ch. 709 does not apply to this transaction.

If there is personal property at the Property, at Closing, Buyer shall take responsibility for, and possession and control over same, AS IS, WHERE IS, WITH ALL FAULTS KNOWN OR UNKNOWN, AND WITH NO REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED.

10. **Closing.** Closing on this transaction ("Closing") shall take place at the offices of the City Real Estate Office at 809 North Broadway, 2nd Floor, Milwaukee, Wisconsin, or at a title company, or other mutually acceptable place, at a time and date that will be on or before the Expiration Date or Extended Date provided Buyer has satisfied the following City Contingencies: (1) Buyer shall not be in violation of City General Buyer Policies pursuant to Section 5; and (2) Buyer shall submit evidence satisfactory to the City of firm financing without contingencies and/or evidence of equity in an amount equal to the Purchase Price plus the Estimated Rehabilitation Costs identified in Section 1 above.
11. **Quit-Claim Deed of Property; AS-IS Sale; Deed Restrictions.**

A. **As Is.** Upon payment of the Net Price by Buyer to City and payment of the amount in Section 1 above required to be paid by Buyer to ACTS, City shall convey the Property to Buyer by Quit-Claim Deed ("Deed") in the form of **EXHIBIT A** attached in "AS-IS, WHERE-IS" condition with all faults and defects, known or unknown, physical or otherwise, and without representation or warranty, express or implied. Such provisions shall be a waiver regarding condition (MCO 308-

22-2-g) and shall bar all tort, warranty, and misrepresentation claims – including any action based on non-disclosure. Buyer shall rely on Buyer's own due diligence and independent investigation and inspection, and shall not rely upon any oral or written statement or representation of City or any employee or agent or contractor of City. At Closing, and upon delivery of the Deed to Buyer, whatever occupancy rights City has in and to the Property will become Buyer's.

**B. Code-Compliance Restriction.** The conveyance is subject to all building and health code violations at Closing, if any and City retains applicable enforcement rights.

Buyer shall, promptly after Closing, bring the Property into compliance with the City of Milwaukee Building Code within 6 months following the date of the Deed. Under limited circumstances, the 6-month period may be extended by the City for up to an additional 90-day extension.

The Deed shall contain a restriction requiring the Buyer to obtain a Certificate of Code Compliance (or if applicable, the Certificate of Occupancy) for the Property and prohibiting Buyer to allow any mortgage to exist during the code-compliance period other than a Buyer mortgage to ACTS, a Buyer mortgage to a conventional first-mortgage lender, or as consented to in writing by City and ACTS.

**C. Minimum-Holding, Owner-Occupancy-Period Restriction.** The Deed shall contain a restrictive covenant requiring Buyer to own, and occupy as an owner-occupant, and not convey for **5 years** from the date of the Deed, failing which Buyer (and successor owners) shall owe \$10,000 liquidated damages to City; providing, however, that, during the restriction period, Buyer may, without violating the restriction, resell to another owner-occupant who will be required to owner occupy and hold for the duration of the then-remaining restriction period, failing which the liquidated damages shall apply.

**D. Reserved Rights.** Liquidated damages shall not affect any of City's other rights available at law.

12. **Title Insurance.** City acquired the Property by property-tax-foreclosure under Wis. Stat. 75.521 thereby vesting fee title in the City as per Wis. Stat. 75.521 (8). If Buyer desires title insurance or a title insurance commitment for the Property, Buyer must obtain the commitment or insurance (including any endorsement Buyer desires) at Buyer's expense. If Buyer is going to obtain a commitment or insurance, Buyer is encouraged to obtain the commitment with sufficient time to review same prior to Closing, and Buyer must, prior to Closing, provide City with a copy of any such commitment obtained.
13. **Legal Possession.** Legal possession of the Property shall be delivered to Buyer at Closing.
14. **Proration.** Property taxes and/or utility bills, if any, shall be pro-rated to the date of Closing. City shall be responsible only for special assessments of record as of the date this Offer is accepted by City. Special assessments that are the responsibility of City, but that have not been billed or paid, may be deducted from the Purchase Price at Closing and shall be paid by Buyer when due. If the Purchase Price is inadequate to pay such Special Assessments, City shall pay such Special Assessment when due.
15. **City Termination.** City or Buyer may terminate this Offer if City is unable to provide marketable title or City is unable or unwilling to remove valid objections to title prior to Closing, in which case Earnest Money shall be returned to Buyer. If Property is damaged prior to Closing, City or Buyer may terminate this Offer prior to Closing, in which case Earnest Money shall be returned to Buyer. Such termination and return of Earnest Money releases City and Buyer from claims arising from this transaction.
16. **Transfer Fee or Return.** No real-estate-transfer fee shall be due at Closing per Wisconsin Statute 77.25 (2). Buyer shall prior to Closing provide to City information needed for completion of a real-estate-transfer return.
17. **Recording Deed.** Promptly after Closing, the Deed shall be recorded by the City or other party (as directed by City), such as a title company, as required by MCO 304-49-10. Buyer shall be responsible for the recording fee and shall provide City at Closing with a check to record the Deed as directed on the closing statement.
18. **Successors and Assigns.** Once this Offer is accepted by City, this Offer binds and inures to the benefit of the parties hereto and their successors and assigns. Neither Buyer nor ACTS may assign any rights, or obligations under this Offer without the written consent of City.
19. **Signature and Counterparts.** This Offer may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile and/or PDF signatures shall be accepted as originals.
20. **Entire Agreement.** This Offer constitutes the entire agreement between the parties and all prior statements, written or oral, are terminated and of no effect (this does not affect ACTS written agreement with City). This Offer may only be amended by a written agreement signed by City, ACTS, and Buyer.

21. **Severable.** The terms and provisions of this Offer are deemed separable and severable such that the invalidity or unenforceability of any term or provision shall not affect or impair the validity or enforceability of the remaining terms and provisions.
22. **Survival; No Merger.** The terms, provisions, and agreements herein shall survive Closing and delivery and recording of the Deed.
23. **Notices.** All notices permitted or required hereunder shall be considered given (i) upon receipt if hand-delivered by commercial courier or otherwise personally delivered, (ii) if sent by email, then the notice must be sent during business hours (i.e. 8:30 A.M to 4:30 P.M., Monday through Friday) on days that City's City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or "busy" or "inability to send" notification), and (iii) within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

**If to City:**  
 Karen Taylor  
 Department of City Development  
 809 North Broadway, 2<sup>nd</sup> Floor  
 Milwaukee, WI 53202-3617  
 Phone: (414) 286-5738  
 Email: ktaylor@milwaukee.gov

**If to Buyer:**  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Email: \_\_\_\_\_

**Copies of Notices to City or Buyer shall also be sent to ACTS:**

Carl Quindel  
 ACTS  
 2414 West Vliet Street  
 Milwaukee, WI 53205  
 Phone: (414) 727-5441  
 Email: cquindel@actshousing.org

24. **Remedies.** Except as otherwise provided herein, in the event of breach of this Agreement, the nonbreaching party shall have all rights and remedies available at law and in equity against the breaching party. In the event of breach by Buyer, City may elect to retain the Earnest Money as liquidated damages or as partial offset against damages otherwise occasioned by the breach – which, in the latter case, City may bring suit for remaining damages. City retains all rights under Wis. Stat. § 893.80.
25. **Special Conditions: Addendum**  is  is not attached.
26. **Buyer Cooperation with ACTS and City.**
  - A. Buyer agrees to cooperate with City and ACTS. This cooperation includes cooperating with ACTS regarding ACTS activities in the ACTS Disclosure set forth below. Buyer agrees to work with ACTS, and prepare, a detailed Scope of Work. Buyer agrees to diligently and timely pursue completion of items in Buyer's detailed Scope of Work. Buyer agrees to comply with ACTS property-tax-escrow requirements.
  - B. After Closing, Buyer shall allow entry into the Property by ACTS and City for ACTS and City to inspect status and progress regarding rehabilitation, and for ACTS to provide ACTS' services (see below).
  - C. Buyer rehab work must be done in accordance with applicable laws, and with required permits, and in a lead-safe manner.
27. **Property-Tax Escrow.** ACTS will require Buyer to establish a property-tax escrow with ACTS, which ACTS shall hold in a "Property-Tax-Escrow Account" for annual application and payment by ACTS to the City Treasurer, on behalf of Buyer, toward payment of the annual property-tax bill issued for the respective City Home. ACTS is responsible for sending the balance in escrow to the City prior to due date. This escrow-payment requirement shall begin in the month following the date of Buyer's occupancy of the Property, but no later than April 1 of the year following Closing, and shall be in place for the first 3 years of Buyer ownership of the Property, providing, however, that if Buyer timely pays escrow payments and property taxes to the City as required, then the escrow requirement shall only be required for the first two years of Buyer ownership. Buyer agrees to comply with ACTS escrow requirements.

**ACTS DISCLOSURE**

ACTS Community Development Corporation ("ACTS") and the City entered into an ACTS-City Real Estate & Cooperation Agreement (the "City-ACTS Agreement"). Per City-ACTS Agreement, ACTS agrees to cooperate with City and Buyer pre, at, and after Closing to meet ACTS' duties in the City-ACTS Agreement.

ACTS, for no additional fee to City or Buyer (other than monies due ACTS by City under the City-ACTS Agreement, and other than payments due ACTS in section 1 above and in any loan agreement or mortgage between ACTS and Buyer) will do the following.

1. ACTS will coordinate and attend Buyer's Closing.
2. ACTS will provide Buyer with home-buyer counseling, home-ownership counseling, financial and budgeting counseling, and rehab-management services, including on-site ACTS visits.
3. ACTS rehab specialists will make on-site Property visits at least once every 30 days: (i) to teach and inform Buyer about lead-safe work and lead-risk-reduction practices, and to remind Buyer to follow same; and (ii) to review progress of rehabilitation work and progress toward code-compliance, to identify barriers to progress, and to advise Buyer and City on potential paths forward. ACTS rehab specialists shall communicate with City DNS inspectors and City DCD personnel as needed, and promptly communicate City concerns to Buyer and Buyer concerns to City.
4. ACTS will provide Buyer: (i) information about the hazards of rehab and home improvement in lead-affected properties, (ii) teaching about assessing lead hazards in affected properties; and (iii) teaching lead-safe work and lead-safe-reduction practices for home-improvement projects. ACTS has provided Buyer with the City Health Department's print-out "Lead-Safe Home Improvement" and the EPA's pamphlet "Protect Your Family from Lead in Your Home." ACTS has also alerted Buyer to dangers associated with asbestos and mold.
5. ACTS rehab specialists will review with Buyer the DNS general Scope of Work. ACTS will help Buyer develop a detailed Scope of Work for Buyer to achieve code compliance, and to correct exterior and interior code violations. Buyer's detailed Scope of Work will identify work that must be done by licensed contractors under permit, work that is to be done by Buyer as sweat equity, and proposed timelines for expected completion of work items. ACTS will use best faith efforts to ensure Buyer stays within timelines for completion of work items and that Buyer timely satisfies requirements of the Code Compliance Deed Restriction.
6. ACTS shall adhere to the property-tax-escrow requirements above.

**IN WITNESS WHEREOF**, Buyer and City signed this Offer as of the date written below.

<p><b>CITY:</b> City of Milwaukee</p> <p>By _____                  Karen Taylor, Sp. Deputy Commissioner, DCD                  Common Council Resolution File No. 131632                  Date: _____                  Accepted: _____                  Rejected: _____</p>	<p><b>BUYER:</b></p> <p>/x/ _____                  Name Printed: _____                  Last 4 Social Security No. _____                  Date: _____</p> <p>/x/ _____                  Name Printed: _____                  Last 4 Social Security No. _____                  Date: _____</p>
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EXHIBIT A TO PASA – DEED (CITY HOME)

Document Number

QUIT CLAIM DEED

**After Recording, Return To:**

[HERE PUT BUYER NAME AND ADDRESS]

**Tax Key Number:** \_\_\_\_\_

**Exempt From Fee.** This Deed and conveyance are exempt from the Wisconsin Real Estate Transfer Fee per Wisconsin Statute 77.25 (2).

**Drafted By:** City of Milwaukee, Dept. of City Development.

Recording Area

**THIS QUIT-CLAIM DEED** is made as of this \_\_\_\_ day of \_\_\_\_\_, 2016 by the **CITY OF MILWAUKEE**, a Wisconsin municipal corporation ("**City**"), as Grantor, to \_\_\_\_\_ [here put buyer name and whether buyer is single or married], "**Grantee.**"

**1. Conveyance of Property.** City hereby conveys and quit-claims to Grantee, on an "AS-IS, WHERE-IS" basis, with all faults and defects, known or unknown, physical or otherwise, and without representation or warranty, express or implied, all of City's right, title, and interest, whatsoever, in and to the real estate described as follows:

**Legal Description:** [here insert legal description]

in the City and County of Milwaukee, State of Wisconsin (the "**Property**").

**Address:** [here insert address]

**2. Restrictive Covenants.** This conveyance and the Property are subject to the following Restrictive Covenants, which are binding upon Grantee, its heirs, successors and assigns. The terms and conditions of these Restrictive Covenants were material inducements to City conveying the Property to Grantee, and but for Grantee's acceptance of the terms and conditions by entering into a Purchase and Sale Agreement ("**PASA**") with City, City would not have conveyed the Property to Grantee.



**A. Code Compliance Requirement (“Performance Restriction”).** Grantee shall perform such acts as may be required to obtain from the City Department of Neighborhood Services (“DNS”) a Certificate of Code Compliance (or as applicable, a Certificate of Occupancy), within the time specified by DNS and as per the PASA between City and Grantee.

Issuance of the required Certificate by DNS shall be evidence of compliance with this Performance Restriction.

If the City has not recorded against title to the Property within 9 months from the date of this Deed a Notice of Breach concerning this restriction, then this Performance Restriction shall be deemed to no longer be a restrictive covenant or encumbrance against title, and shall automatically expire without any need to record any separate release or satisfaction of the same.

During the period ending on the sooner of DNS issuance of the required Certificate or 9 months from the date of this Deed, Buyer is prohibited from granting any mortgage in the Property other than a Buyer mortgage to ACTS, a Buyer mortgage to a conventional first-mortgage lender, or as consented to in writing by City and ACTS.

**B. Owner Occupied Restriction (“Occupancy Restriction”).** Grantee shall use the Property only as an owner-occupied residence that shall be Grantee’s primary residential homestead. The Property shall not be used, or allowed to be used, for non-owner-occupied purposes and shall not be rented or leased to third parties. Notwithstanding the foregoing, if the Property is a duplex, a three-unit apartment, or a four-unit-apartment, then the Occupancy Restriction shall only apply to one of the units therein such that at least one of the units satisfies the Occupancy Restriction.

The Occupancy Restriction shall remain in effect for five years from the date of this Deed (“Effective Period”). Grantee may, during the Effective Period, convey the Property to another so long as the new owner satisfies and does not violate the Occupancy Restriction while it is in effect.

In the event there is any breach of this Occupancy Restriction, Grantee shall be liable to and pay the City \$10,000 as agreed-upon liquidated damages.

If the City has not recorded against title to the Property within five years and six months from the date of this Deed a Notice of Breach concerning this restriction, then this Occupancy Restriction and City’s lien rights associated with violation of the same (set forth below) shall be deemed to no longer be a restrictive covenant or encumbrance against title, and shall automatically expire without any need to record any separate release or satisfaction of the same.

**C. Liquidated Damages.** In the event of breach of the Occupancy Restriction, the liquidated damage amount specified shall be paid within 10 days of City's written demand therefore sent to the Property address and to Grantee's last known address. In the event of nonpayment (in full or in part), the City shall be entitled to record evidence of non-payment and violation of the Restriction against the Property in the Milwaukee County Register of Deeds Office, and the amount owed City shall accrue interest until paid at the same rate provided for in Wis. Stat. 74.47 and Milwaukee Code of Ordinances 304-38. Payment of amounts owed City shall be secured by a lien in and to the Property which lien Grantee hereby conveys to City, and notice of which is hereby given by virtue of recording this Deed. City shall have all rights at law and in equity to enforce payment and realize and foreclose on its lien rights, including, but not limited to, pursuing *in personam* liability against Grantee and/or successor owners and pursuing *in rem* and foreclosure rights against the Property.

IN WITNESS WHEREOF, City of Milwaukee, as Grantor, has caused this Deed to be executed as of the date first written above.

<p>STATE OF WISCONSIN )          ) ss.          MILWAUKEE COUNTY )</p> <p>Personally came before me this ____ day of _____, 2014,          Karen Taylor, Special Deputy Commissioner of the          Department of City Development of the City of Milwaukee,          who, with the City's authority and on its behalf, executed the          foregoing instrument and acknowledged the same.</p> <hr/> <p>Notary Public, Milwaukee, Wisconsin</p> <p>Name Printed: _____</p> <p>My commission: _____</p>	<p>GRANTOR/CITY: CITY OF          MILWAUKEE</p> <p>By: _____          Karen Taylor, Special Deputy          Commissioner          Department of City Development</p> <p>Common Council Resolution File No.          131632</p>
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**BUYER INFORMATION**  
(PLEASE PRINT ALL INFORMATION)

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PROPERTY TO BE PURCHASED: \_\_\_\_\_

BUYER IS (CHECK ONE):     MARRIED                       SINGLE PERSON(S)  
                                   CORPORATION                 LIMITED PARTNERSHIP  
                                   OTHER (SPECIFY) \_\_\_\_\_

NAME 1 (CHECK ONE):     MR.       MRS.       MS.       MISS

\_\_\_\_\_

LAST    FIRST    MIDDLE

ADDRESS: \_\_\_\_\_

STREET    CITY    STATE    ZIP

HOME PHONE: \_\_\_\_\_ BUSINESS PHONE: \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_ LAST 4 DIGITS OF SOCIAL SECURITY NO.: \_\_\_\_\_

NAME 2 (CHECK ONE):     MR.       MRS.       MS.       MISS

\_\_\_\_\_

LAST    FIRST    MIDDLE

ADDRESS: \_\_\_\_\_

STREET    CITY    STATE    ZIP

HOME PHONE: \_\_\_\_\_ BUSINESS PHONE: \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_ LAST 4 DIGITS OF SOCIAL SECURITY NO.: \_\_\_\_\_

PREVIOUS ADDRESSES PAST TWO (2) YEARS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDRESSES OF PROPERTY OWNED WITHIN THE CITY OF MILWAUKEE  
(AS AN INDIVIDUAL OR AS A CORPORATION)
