

CITY OF MILWAUKEE - OFFER TO PURCHASE

Improved Property

GH, 9-17-2014, CAO 207624

The Buyer, LA PICA # 3 LLC (“Buyer”), offers to purchase from the City of Milwaukee (“City”) the City’s right, title, and interest in the property at 2318 South 35th Street (TIN 494-0445-100-5), Milwaukee, Wisconsin (individually and collectively the “Property”) on the terms and conditions contained herein (the “Offer”). As used herein, “DCD” means the City’s Department of City Development, and “MCO” means Milwaukee Code of Ordinances.

- 1. **Purchase Price.** Buyer offers to purchase the Property for \$4,000.00 (“Purchase Price”) to be paid by Buyer to City by cashier’s check at time of Closing (hereafter defined). City may request that Buyer allocate the Purchase Price as outlined on City’s closing statement.
- 2. **MCO 304-49-8 City Buyer Policies.** Per MCO 304-49-8, unless the Common Council approves otherwise, the City will not sell property to a buyer, or to a buyer in which an owner, member, shareholder or partner, directly or indirectly, unless the Buyer is in compliance with the following “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.

Buyer violates the General Buyer Policies. Buyer lost Property to property-tax foreclosure on December 2, 2013. Because Buyer fails to satisfy the General Buyer Policies, the Council must authorize this sale.

- 3. **No Broker.** No real estate broker is involved in this transaction. Neither City nor Buyer have engaged any broker.
- 4. **Earnest Money.** Buyer shall pay “Earnest Money” of \$1,500.00 at the time of Buyer signing and tendering this Offer to City, to be held by City. The Earnest Money shall be credited toward the Purchase Price at Closing or disbursed as otherwise provided herein. Earnest Money is nonrefundable except as expressly provided herein.
- 5. **Buyer Identification and Disclosures.** Buyer is and will take title as (check one):

- Single person Married Persons Joint Tenants Tenants in Common
- Corporation Partnership LLC other _____

Identify corporate officers, partners or LLC members: William Rivera

- 6. **Buyer Certification.** Buyer certifies that Buyer is is not an employee of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, the Housing Authority of the City of Milwaukee, the Milwaukee Economic Development Corporation or Neighborhood Improvement Development Corporation (individually and collectively “City Agency”). If employed by City Agency, identify the City Agency and department: _____. City Agency 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.
- 7. **Acceptance.** This Offer is contingent upon City Common Council approval. This Offer becomes binding on both parties upon signature of the Commissioner of DCD or designee (“Effective Date”). City shall, if it signs and accepts, provide a fully-signed copy of the Offer to Buyer. Buyer may withdraw the Offer at any time prior to delivery of the City’s acceptance signature by sending a written notice of withdrawal to City. In the case of timely and proper Buyer withdrawal, Earnest Money shall be returned to Buyer.

8. **Offer Term.** The Offer shall commence on the Effective Date and be in effect until **April 30, 2015** (“**Expiration Date**”). Buyer must satisfy all City Contingencies (see below) and Buyer Contingencies (see below) and close on or before the Expiration Date.
9. **City Contingencies.** This Offer, and City’s duty to Close, are subject to Buyer satisfying the following “**City Contingencies**”: (a) Common Council approval of this transaction. If at Closing, Buyer has not met and satisfied the City Contingency, City may declare this Offer null and void, in which case, City shall have no duty to Close, and Earnest Money shall be returned.
10. **Buyer Contingencies.** NONE.
11. **Property Condition, AS-IS.** City shall convey the Property to Buyer at Closing in “**AS-IS, WHERE-IS**” condition, with no warranties or representations, express or implied, and with all faults and defects, known or unknown. Such provisions shall bar all tort, warranty, and misrepresentation claims – including any action based on non-disclosure. The Property may contain adverse conditions such as old building foundations and underground storage tanks. Buyer acknowledges that City has no disclosure requirements, as Wis. Stat. Ch. 709 does not apply to this transaction. Buyer shall indemnify and hold harmless City concerning claims or expenses associated with the Property.
12. **Closing.** Closing on this transaction (“**Closing**”) shall take place at the offices of the DCD’s Real Estate Office at 809 North Broadway, 2nd Floor, Milwaukee, Wisconsin, by mail or other mutually acceptable place, at a mutually acceptable time and date that will be on or before the Expiration Date – **April 30, 2015**. At Closing, Buyer agrees to execute a Closing Statement.
13. **Deed; Restrictions.** Upon delivery of the Purchase Price by Buyer, City shall convey the Property to Buyer by Quit-Claim Deed (“**Deed**”) subject to the restrictive covenant of prohibition against property-tax exemption per MCO 304-49-12.
14. **Title Insurance.** NONE. City will not provide Buyer with a title insurance commitment for the Property or title insurance. If Buyer wants same, Buyer must obtain and pay for same on its own.
15. **Legal Possession; Occupancy; Tenant; Assignment of Lease.** Legal possession and occupancy of the Property shall be delivered to Buyer at Closing subject to the terms and conditions contained herein. Occupancy is subject to the rights of tenants in possession, if any. There shall be no proration of rent, City being able to keep all prior rent paid and all rent for the month in which Closing occurs. Unless otherwise disclosed to Buyer, City holds no security deposit concerning any tenant now or formerly occupying the Property. Buyer shall indemnify and hold harmless City concerning claims or expenses associated with the tenant or leasehold.
16. **Proration; Special Letters.** No 2015 property taxes will be billed against the Property as same is exempt for year 2014 under City ownership. Equivalent of 2015 property taxes will be calculated and collected at closing. There will be no proration of utility bills. Prior to Closing, City will obtain internal “**Special Letters**” and provide copies of same to Buyer, and at Closing, beside the Purchase Price, Buyer must pay outstanding special assessments, special charges, and utility expenses.
17. **Transfer Fee and Return.** No real-estate-transfer fee shall be due at closing pursuant to Wis. Stat. 77.25 (2), and no real-estate-transfer return shall be required pursuant to the exemption under Wis. Stat. 77.255. City is not a lender for the transaction.
18. **Recording Deed.** Promptly after Closing, the Deed shall be recorded by the City as required by MCO 304-49-10. Buyer shall be responsible for recording fees and charges and shall provide City a check at Closing for recording charges as directed on the Closing Statement.
19. **DNS Property Recordings.** None.
20. **Energy Efficiency.** None.

21. **Personal Property.** To the extent any personal property exists at the Property on the date of Closing that does not belong to tenants (if any) of the Property, Buyer shall be responsible for such personal property, and indemnify and hold harmless City concerning claims or expenses associated with such personal property. Buyer understands City acquired the subject real Property by property-tax foreclosure under Wis. Stat. 75.521, but that City did not acquire the personal property by property-tax foreclosure.
22. **Compliance with Laws.** At and after Closing, Buyer must comply with applicable federal, state and local laws regarding the Property, and its use and occupancy.
23. **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. Buyer may not assign any rights, or obligations under this Offer without the written consent of City.
24. **Facsimile and Counterparts.** This Offer may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile, email, or PDF signatures shall be accepted as originals.
25. **Entire Agreement; Amendment.** This Offer constitutes the entire agreement between the parties and all prior statements, written or oral, are terminated and of no effect. This Offer may only be amended by a written agreement signed by all the parties hereto.
26. **Severable.** The terms and provisions of this Offer are 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.
27. **Survival.** The terms, provisions, and agreements herein shall survive Closing and delivery and recording of the Deed.
28. **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:

Yves LaPierre
 Department of City Development
 809 North Broadway, 2nd Floor
 Milwaukee, WI 53201-0324
 Phone: 414-286-5762
 Email: ylapie@milwaukee.gov

IF TO BUYER:

LA PICA # 3 LLC
 Address: C/O Steven M. Devouges
 100 E. Wisconsin Ave., Ste. 2600
 Milwaukee, WI 53202
 Phone: 414.276.6464
 Email: SDevouges@hirschman.com

29. **Remedies.** Except as otherwise provided herein, in the event of breach of this Offer, the non-breaching party shall have all rights and remedies available at law and in equity against the breaching party. In the event of breach by Buyer prior to Closing, 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 and/or specific performance. City retains all rights, including all rights under Wis. Stat. 893.80.
30. **Waiver; MCO 308-22-2-g.** This Offer is deemed the “waiver” by Buyer required by MCO 308-22-2-g requiring the Buyer to hold the City of Milwaukee harmless from any undetected or unknown environmental hazard that may be present in or on the Property. In the event of Closing and delivery of the Deed pursuant hereto, Buyer agrees to abide by, and be bound by, 308-22-2-g.
31. **Special Conditions:** NONE.

IN WITNESS WHEREOF, Buyer enters and extends this Offer to City as of the date written below.

Date of Buyer's Offer: <u>7 JAN. 2015</u>	BUYER: LA PICA # 3 LLC By: <u><i>Steven M. DeVoy</i></u>
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ACCEPTANCE BY CITY OF MILWAUKEE Date Accepted ("Effective Date"): _____ Transmitted to Buyer: _____ Expiration Date: April 30, 2015	CITY: City of Milwaukee By _____ Martha L. Brown, Deputy Commissioner, DCD Common Council Resolution No. _____
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1. Date _____

2. Date _____

3. Date _____

4. Date _____

5. Date _____

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23. Date _____

24. Date _____

25. Date _____

26. Date _____

27. Date _____

28. Date _____

29. Date _____

30. Date _____