

CITY OF MILWAUKEE

VACANT LAND OFFER TO PURCHASE

Vacant Land for Single Family or Duplex Construction

The Buyer, _____ ("Buyer") offers to purchase from the City of Milwaukee ("Seller") all of the Seller's right, title, and interest in the vacant lot at _____ (DCD Dev. Site # _____) ("Property") on the terms and conditions contained herein. For the purposes of this offer, Seller shall mean the City Real Estate Office of the Department of City Development ("DCD") and not any party from a different City office or department.

1. Purchase Price. The Purchase Price shall be \$ _____ and shall be paid by cashier's check at time of closing, less a credit for Earnest Money and subject to the customary prorations and deductions pursuant to Section 18 ("Net Price"). Buyer agrees to allocate the Net Price to different accounts for City sale expenses if requested by Seller. **Broker Commission.** Upon closing, Seller agrees to pay the licensed real estate broker identified below ("Broker") a commission of \$ _____ (6% of the Purchase Price or \$2,000, whichever is less) except if Buyer and Broker are same party.
Broker: Jason Scott Realty Management

2. Proposed Use. Property shall be used for construction of:
(Check One) Single-Family Duplex
(Check One) owner-occupied investment property
If first-time home buyer, check here
If existing homeowner, identify plan for existing residence: _____
Sales for owner occupancy may be subject to a deed restriction pursuant to Section 15 requiring owner occupancy for a five-year period from the date of the deed if the Property was advertised exclusively for home ownership. Conveyance to a non-owner occupant or rental to a third party prior to expiration of the five-year period shall result in liquidated damages due the City of 50% of the Purchase Price or \$15,000.00, whichever is greater, or the Property will be subject to reversion of title in favor of the Seller.

Estimated project costs (hard construction costs, architectural & contractor fees) are \$ _____, which amount shall be not less than \$150,000 except upon approval of Seller.
Builder will be _____
If "sweat equity" will be used to reduce costs, please identify activities _____

3. Evidence of Financing & Equity. Buyer hereby submits evidence of equity and/or financing in the amount equal to the estimated construction costs and Purchase Price. Buyer hereby submits a pre-qualification letter from a regulated financial institution in the amount of \$ _____ if the offer is contingent on financing.

4. House Design; Conformance to City Design Standards. Houses must conform to applicable Zoning Code, City Building Codes and DCD's Residential Design Standards except as authorized by the Commissioner of DCD. Buyer agrees to construct the following house design (check one):
 DCD Catalog, model name _____
 DCD -approved builder model (builder name and model) _____
 Conforms to DCD's attached Residential Design Standards attached hereto
 Unique design that shall be submitted for preapproval within thirty (30) days of acceptance of this offer by the Seller.

For designs other than from the DCD Catalog or a DCD-approved builder model, Buyer shall submit scaled preliminary elevations for all facades facing a street or alley and a scaled site plan (collectively "Preliminary Plans") at its sole cost to Seller for approval within 30 days of acceptance of this offer. If Preliminary Plans are not acceptable to Seller, Seller shall provide Buyer with written comments within 15 days of submittal on required changes. Buyer shall be given 15 days from the date of written comments to submit revised Preliminary Plans showing the corrections. If Buyer elects not to revise the plans as required by Seller and terminates this Offer within 45 days of acceptance, Seller shall return the Earnest Money. If Buyer fails to submit corrected Preliminary Plans within 30 days of the written comments and does not terminate this offer, Seller may cancel this offer and retain the Earnest Money as liquidated damages.

5. Earnest Money. Earnest Money of _____ (10% of the Purchase Price or \$1,000 whichever is greater) in the form of a check shall be submitted by Buyer with this offer. The Earnest Money shall be credited toward the Purchase Price at time of closing. The Earnest Money shall be held by the Seller or Broker and is non-refundable except for transactions involving unique house designs pursuant to Section 4 where an offer is withdrawn because of non-conforming plans and where a financing contingency is not satisfied.

6. Buyer Identification and Disclosures.

Buyer is (check one): Married Single person (Identify if he/male her/female/for deed))
 Joint Tenants Tenants in Common
 Corporation Partnership other _____

Identify corporate officers, partnership or LLC members: _____

Buyer certifies that Buyer, and every owner, member, shareholder and partner of Buyer, directly or indirectly, is now and will at closing be 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 subject to a property tax foreclosure by the City within the past five years.

Seller will reject Offers from parties that violate the City General Buyer Policies and Seller may terminate an accepted Offer if such conditions exist at any time after acceptance of this Offer or at closing.

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

Buyer certifies that Buyer:

- has has no outstanding accepted Offers to Purchase with Seller
- has has not acquired other property from Seller for which all required rehabilitation, repair, improvement or development has not been completed

Buyer certifies that Buyer is is not an employees of the City of Milwaukee, Redevelopment Authority, Housing Authority, Milwaukee Economic Development Corporation or Neighborhood Improvement Development Corporation (collectively "City Agencies"). If employed by City Agency, identify department: _____ . 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.

7. Acceptance. Submitted offer must be signed by all parties of Buyer and acceptance occurs upon signature of the Commissioner of DCD or designee at which time this Offer becomes an agreement binding upon both parties ("Effective Date"). Buyer may withdraw the offer at anytime prior to delivery of the accepted offer and Seller shall return the Earnest Money to Buyer.

8. Offer Term. The Offer shall commence on the Effective Date and be in effect for a period of 120 days ("Expiration Date"). Buyer must satisfy all contingencies and close on or before the Expiration Date pursuant to Section 14. Under limited circumstances, the Offer may be extended by the Commissioner of DCD for 30 days ("Extended Date") upon submission by Buyer and Seller acceptance of a written request for such extension including the reasons therefore and a check for \$250.00. If the Offer term is extended, the extension fee is non-refundable and shall not be credited toward the Purchase Price.

9. Duty to Build. Buyer agrees to commence construction of the Seller approved design within 15 days following closing and to complete all construction according to approved plans including site improvements and landscaping within nine (9) months following the date of closing. Deed shall contain a restriction requiring such performance and the possibility of reversion of Property title in favor of the Seller in the event of default.

10. **Financing Contingency.** This Offer is is not contingent upon financing.
(Check One ▲)

This Offer is contingent upon Buyer obtaining: first mortgage loan commitment or construction loan commitment within ___ days of acceptance of this Offer for not less than \$_____ for a term of not less than ___ years with an initial interest rate not to exceed _____% per annum with monthly payment not to exceed \$_____ for principal and interest. Buyer agrees to pay all customary financing costs (including closing costs, to apply for financing promptly and to provide evidence of application promptly upon request by Seller. If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s) rejection letters or other evidence of unavailability. Upon receipt of such notice, this Offer is cancelled and Seller shall return all Earnest Money. If Seller notice is not timely given, this Offer shall be null and void and Seller may retain all Earnest Money as liquidated damages.

11. **Property Condition.** Seller discloses that the Property may contain old building foundations, demolition debris and other materials not suitable for construction. Property does not have sewer and water lateral hookups and will require connecting with City utilities in the street. Without changing the "AS-IS/WHERE IS, no warranty or representation" nature of this transaction, Buyer is aware that the Property is or may be affected by adverse geotechnical conditions due to the presence of these materials or due to the bearing capacity of the soil. Seller has conducted no geotechnical investigation of the Property and assumes no liability for any subsurface conditions. **Buyer shall include in the construction budget an allowance for extraordinary site excavation, disposal of materials unsuitable for construction and/or additional fill to allow construction as well as sewer and water lateral hookups.** Seller shall not provide a survey of the Property. Buyer is encouraged to undertake a site survey, geotechnical investigation and other due diligence reviews that it deems necessary. Upon written request of Buyer, Seller shall provide Buyer a right of entry to conduct such investigations of the Property upon certain conditions, including submission of a certificate of insurance in amounts specified by Seller naming the City of Milwaukee as an additional insured. Buyer acknowledges that Seller disclosure requirements under Ch. 709, Wis. Stats. do not apply.

12. **Environmental Conditions.** Seller shall not provide a Phase I environmental Assessment of the Property and this Offer shall be deemed the "waiver" required by Milwaukee Code of Ordinances §308-22-2-g. Buyer shall, in the event of a Closing and delivery of a Deed pursuant hereto, release, indemnify and hold the Seller, the City of Milwaukee (and its agents, employees, and contractors, and also the Redevelopment Authority of the City of Milwaukee, and its agents, employees and contractors) harmless from and against any loss, expense, damage, or claim (whether based in contract, tort, or otherwise), associated directly or indirectly, with any detected or undetected, known or unknown, environmental, geotechnical, or other physical or nonphysical defect or hazard that may be present in or on, or that may affect, the Property. The foregoing indemnity and hold harmless duty (but not the release duty), however, does not cover personal injury claims for accidents or injuries that occurred on the Property prior to Closing except as otherwise provided by or covered by this Offer.

13. **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 mutually acceptable place, at a time and date that will be on or before the Expiration Date or Extended Date provided closing contingencies pursuant to Section 14 have been satisfied by Buyer.

14. **Closing Contingencies.** Closing by Seller is contingent on:

- A) Buyer obtaining a building permit for a DCD-approved design and site plan from the City of Milwaukee Development Center. Final plans submitted for the building permit must match approved preliminary design pursuant to Section 4 and to the zoning and building codes or the Seller may cancel this Agreement and retain the Earnest Money as liquidated damages. Buyer is solely responsible for making timely application for a building permit (Seller recommends that the permit application be made at least 30 days prior to the expected closing date to allow adequate time for plan review). Seller shall not be responsible for any delays approving final plans caused by Buyer's submittal of final plans that do not conform to Residential Design Standards or pre-approved plans;
- B) Buyer submission to Seller of a fully executed final construction contract with a licensed contractor showing construction to commence within fifteen (15) days following closing; and

C) Submission to Seller of a firm financing commitment without contingencies and/or evidence of equity that shows adequate funds to complete construction in the submitted contract.

D) No violation of City General Buyer Policies by Buyer.

If Buyer fails to satisfy Closing Contingencies by Expiration Date or Extended Date, whichever is later, Seller may declare this Offer null and void and retain Earnest Money as liquidated damages.

15. Quit-Claim Deed of Property; AS-IS Sale; Restrictions. Upon submission of the Net Purchase Price by Buyer, Seller shall convey the Property to Buyer by Quit-Claim deed ("Deed") 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 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 they shall not rely upon any oral or written statement or representation of Seller or any employee or agent or contractor of City. At Closing, and upon delivery of the Deed to Buyer, whatever occupancy rights Seller has in and to the Property will become Buyer's.

The Deed may contain the restriction that requires owner occupancy for a five-year period from the date of the deed if the Property was advertised exclusively for owner occupancy or if Seller identifies owner occupancy in Section 2. Conveyance to a non-owner occupant or rental to a third party prior to expiration of the five-year period shall result in liquidated damages due the City of 50% of the Purchase Price or \$15,000.00, whichever is greater, or the Property will be subject to reversion of title in favor of the Seller.

16. Title Insurance. Seller shall provide Buyer with a title insurance commitment for the Property, issued by a title insurance company chosen by Seller, in the amount of the Purchase Price if the Purchase price is greater than \$5,000.00. Seller shall pay the base cost of title insurance. Buyer shall be responsible for the cost of any title and gap endorsements and the cost of any title updates incurred after the initial invoice. Seller shall pay its cost of title insurance at closing from the Net Purchase Price if sufficient to cover such cost payment or by separate check. Provision of title insurance shall not change the "AS-IS/no warranty or representation" nature of this transaction. No evidence of title shall be provided by Seller if the Purchase Price is less than \$5,000.00.

17. Legal Possession. Legal possession of the Property shall be delivered to Buyer at closing. Physical occupancy is subject to the rights of tenants in possession, if any.

18. Prorations. Property taxes and/or utility bills, if any, shall be pro-rated to the date of closing. Seller shall be responsible for special assessments of record as of the date this contract is accepted by Seller. The estimated special assessments that are the responsibility of Seller, but that have not been billed, may be deducted from the Purchase Price at closing and paid by Buyer at such time as the Special Assessments are billed. If the Purchase Price is inadequate to pay the Estimated Special Assessments, Seller shall pay at such time as the Special Assessment is billed.

19. Seller Termination. Seller may terminate this offer and return Earnest Money and Extension Fee if Seller is unable to provide marketable title or Seller is unable or unwilling to remove valid objections to title prior to closing.

20. Transfer Fee or Return. No real-estate-transfer fee shall be due at closing pursuant to § 77.25(2), Wis. Stats, and no real-estate-transfer return shall be required pursuant to the exemption from returns under Wis. Stat. § 77.255, Wis. Stats.

21. Recording Deed. The Deed shall be recorded by Seller, a title insurance company or a lender promptly after closing as required by Milwaukee Code of Ordinances § 304-49-10. Buyer shall pay the cost of recording the Deed and shall provide Seller at closing with a check, made payable to the Milwaukee County Register of Deeds in the amount needed to record the Deed.

22. Successors and Assigns. Once this Offer is accepted by Seller, this Offer binds and inures to the benefit of the parties hereto and their successors and assigns. Notwithstanding the foregoing, however, Buyer may only assign its rights and obligations under this Agreement with the prior written consent of the Seller.

23. 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 signatures shall be accepted as originals.

24. 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 Offer may only be amended by a written agreement signed by all the parties hereto.

25. 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.

26. Survival. The terms, provisions, and agreements herein shall survive Closing and delivery and recording of the Deed.

27. 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 facsimile, 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 Seller'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 Seller: Amy Turim, Real Estate Manger Department of City Development 809 North Broadway, 2nd Floor Milwaukee, WI 53202-3617 Fax: 414-286-0395 Phone: 414-286-5730	If to Buyer: Buyer's Name _____ Buyer's Address _____ _____ Buyer's Fax _____ Buyer's Phone _____
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28. 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, Seller 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, Seller may bring suit for remaining damages.

29. Special Conditions: Addendum is is not attached.
(Check One ▲)

IN WITNESS WHEREOF, the parties caused this Offer to be entered into and executed as of the date written below.

(x) _____ Birthdate ▲ _____ Date ▲
Buyer's Signature ▲ Print Name Here ►

(x) _____ Birthdate ▲ _____ Date ▲
Buyer's Signature ▲ Print Name Here ►

Acceptance by Seller (City of Milwaukee)

Accepted: _____ Date ▲

PTS# _____

Rejected: _____ Date ▲

Revised 3/17/2017