

**CITY OF MILWAUKEE - OFFER TO PURCHASE
IMPROVED PROPERTY- 1-4 Residential Units
For Homeownership or Investor Owner**

The Buyer, _____ ("Buyer") offers to purchase from the City of Milwaukee ("Seller") all of the Seller's right, title, and interest in the property at _____ ("Property") on the terms and conditions contained herein. For the purposes of this offer (the "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.** Buyer offers to purchase the Property for _____ Dollars (\$_____) ("Purchase Price") to 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 Section 15 ("Net Price").

Buyer estimates rehabilitation costs will be \$ _____. If Buyer's estimate is less than Seller's Scope of Work, Buyer shall submit its own scope and budget. At Closing pursuant to Section 12, Buyer shall provide at Closing evidence of financing and/or equity to fund the purchase and rehabilitation. If "sweat equity" will be used to reduce costs, please identify activities _____

A Rehabilitation Contact may be required by Seller if rehabilitation estimates exceed \$10,000.

2. **Proposed Use.** Property shall be used as:
(Check One) owner-occupied investment property renovated for resale to owner-occupant
If first-time home buyer, check here
If existing homeowner, identify plan for existing residence: _____
Sales for owner occupancy shall be subject to a deed restriction pursuant to Section 13a requiring owner occupancy for a five-year period from the date of the deed.
Sales for investment property shall be subject to a deed restriction pursuant to Section 13b requiring a holding period of five-years from the date of the deed.

3. **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 \$1,500, whichever is greater) except if Buyer and Broker are same party. No brokerage arrangement exists between Seller and the Broker.
Broker: _____ (Name and Firm)

4. **Earnest Money.** Earnest Money of \$750.00 shall be submitted by Buyer with this Offer and shall be held by Seller in Broker's Trust Account and shall be transferred to Seller at closing. The Earnest Money shall be credited toward the Purchase Price at time of closing. The Earnest Money is non-refundable except as provided herein.

5. **Buyer Identification and Disclosures.**

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

- 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.
- Not a party against whom the City has an outstanding judgment.
- 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.
- Not a party who has been convicted of violating an order of the Health Department or Department of Neighborhood Services within the past year.
- 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 employee 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.

6. **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 any time prior to delivery of the accepted Offer and Broker 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 pursuant to Section 11 of this Offer. Under limited circumstances, the Offer may be extended by the Commissioner of DCD for up to 30 days ("Extended Date") upon submission by Buyer and Seller acceptance of a written request for such extension including the reasons therefor and a check for \$250.00 in payment of an Extension Fee. If the Offer term is extended, the Extension Fee is non-refundable and shall not be credited toward the Purchase Price.
8. **Duty to Comply with Building Code.** Conveyance shall be subject to all building and health code violations outstanding at Closing, if any. Buyer shall, promptly after Closing, apply to the Department of Neighborhood Services (DNS) for a Certificate of Code Compliance (or Certificate of Occupancy for buildings with a DNS Placard Order or a mixed or multiple dwelling buildings) and bring the Property into compliance with the City of Milwaukee Building Code within ninety days (90) following the date of the Deed, or other time period specified by DNS provided such date is not later than six months following the date of the Deed. The Deed shall include a reversionary clause in the event of a failure to timely achieve such code compliance. Buyer shall pay all fees for the DNS Code Compliance Program.
9. **Roots Program for Owner Occupants.** Buyer elects to participate in the Roots Program: Yes No.
10. **Buyer Financing Contingency.** This Offer (Check One▶) is is not contingent upon Buyer obtaining financing ("Buyer Contingency"). If yes, this Offer is contingent upon Buyer being able to obtain:
 - first mortgage loan commitment
 - rehabilitation/construction loan commitmentwithin __ 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. If Seller notice is not timely given, this Offer shall be null and void.

11 Property Condition. Seller shall convey the property in "as is, where-is" condition. Any scope of work or cost estimates provided by Seller are for informational purposes only and the Seller does not warrant the content or conclusions of same. Buyer is encouraged to retain its own consultant to evaluate structure condition and renovation costs in respect of the Property.

Seller 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 is solely responsible for obtaining any Property investigations at its sole expense. Buyer acknowledges that Seller has no disclosure requirements, as Ch. 709, Wis. Stats. does not apply to this transaction.

12. 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 Buyer Contingency and the following Seller 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 Seller 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.

13. Quit-Claim Deed of Property; AS-IS Sale; Restrictions. Upon delivery of the Net 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 shall not rely upon any oral or written statement or representation of Seller or any employee or agent or contractor of Seller. 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 shall contain a restriction requiring that the Buyer obtain a Certificate of Code Compliance for the Property pursuant to Section 8, but not later than six months from the date of the Deed or the Property will be subject to reversion of title in favor of Seller or other document to ensure code compliance as determined by the Seller.

- a) The Deed shall contain a restriction for owner occupancy for a five-year period from the date of the deed. Conveyance to a non-owner occupant prior to expiration of the five-year period shall result in liquidated damages due the Seller of 100% of the Purchase Price or \$25,000, whichever is greater, or the Property will be subject to reversion of title in favor of the Seller.
- b) The Deed shall contain a restriction for investment property for a five-year period from the date of the deed. Conveyance prior to expiration of the five-year period shall result in liquidated damages due the Seller of 100% of the Purchase Price or \$50,000, whichever is greater, or the property will be subject to reversion of title in favor of the Seller.

14. 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 Purchase Price, if sufficient to cover such cost, or by separate check. Provision of title insurance shall not change the "AS-IS/WHERE 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.

15. 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.

- 16. Proration.** Property taxes and/or utility bills, if any, shall be pro-rated to the date of closing. Seller shall be responsible only for special assessments of record as of the date this Offer is accepted by Seller. Special assessments that are the responsibility of Seller, but that have not been billed or paid, may be deducted from the Purchase Price at closing and paid by Buyer when due. If the Purchase Price is inadequate to pay such Special Assessments, Seller shall pay such Special Assessment when due. Rent, if any, shall be prorated to the date of closing. Unless otherwise disclosed, Seller holds no security deposits in respect of any tenant now or formerly occupying the Property.
- 17. 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. If Property is damaged prior to closing, Seller reserves the right to terminate this Offer and return Earnest Money to Buyer or adjust the Purchase Price. Return of the Earnest Money shall release Seller from any claims arising from this transaction.
- 18. Energy Efficiency.** Sale of improved properties that will be used as rental units may be subject to the Wisconsin Department of Commerce "Rental Unit Energy Efficiency Standards," Chapter 67, Wisconsin Administrative Code and Chapter 101.122, Wisconsin Statutes. Buyer is responsible for all costs, expenses and fees for complying with this program.
- 19. 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 § 77.255, Wis. Stats.
- 20. Recording Deed.** Promptly after Closing, the Deed shall be recorded by the Seller or other party, such as a title company, as required by Milwaukee Code of Ordinances § 304-49-10. Buyer shall be responsible for the recording fee and shall provide Seller at closing with a check to record the Deed as directed on the closing statement.
- 21. Property Recording.** Unless the Property is to be owner-occupied pursuant to Section 2, Buyer shall register the Property with DNS and shall execute at closing the DNS Property Recording Form.
- 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. Buyer may not assign any rights, or obligations under this Offer without the written consent of 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:
Deborah McCollum-Gathing
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53201-0324
Phone: 414-286-5730
Fax: 414-286-0395

If to Buyer:
Name _____
Address _____
Phone: _____
Fax: _____

With Copy to Broker:
Name _____
Firm _____
Address _____
Phone: _____
Fax: _____

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.

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

(x) _____
Buyer's Signature ▲ Print Name Here ► Social Security No. or FEIN ▲ Date ▲

(x) _____
Buyer's Signature ▲ Print Name Here ► Social Security No. or FEIN ▲ Date ▲

Acceptance by Seller (City of Milwaukee)

Accepted: _____ Date ▲

Rejected: _____ Date ▲

