

HIP FUND IMPROVED PROPERTY

SPECIAL CONDITIONS ADDENDUM REGARDING CITY OF MILWAUKEE - OFFER TO PURCHASE GH 10-29-2019, CAO DOC 263190

City of Milwaukee (“City”) and the undersigned “Buyer” agree to this **Addendum** regarding Buyer’s Offer to Purchase the property at _____, Milwaukee, WI (“Property”) (the “Offer”) (Buyer dated the Offer as of _____, 20____). This Addendum is effective only if City and Buyer have signed this Addendum, and only if City accepts or accepted Buyer’s Offer.

1. **Defined Terms.** All capitalized terms not specifically defined in this Addendum have the meanings ascribed to them in the Offer.

2. **HIP Fund Improvement.** City used \$ _____ of Historic Infrastructure Preservation Funds (“HIP Funds”) under Milwaukee Code of Ordinances (“MCO”) 304-31.5 to improve the Property. Improvements the City made with HIP Funds were:

City’s improving the Property with HIP Funds does not change the “AS IS” nature of City’s conveyance, so the HIP Fund improvements are also conveyed AS IS, WHERE IS.

3. **Project – Preservation and Repair Requirements.** *In addition to Buyer’s duties under the Offer regarding Essential Repairs*, Buyer also agrees to undertake the following maintenance and repair duties (the “Project”):

Buyer agrees to apply for a Certificate of Appropriateness (“COA”) from the City’s Historic Preservation Commission (“HPC”), *if required*, for any exterior repairs or improvements requiring a COA under MCO 304-21. Buyer agrees, at Closing, and *if required*, to sign and deliver to City a Historic Preservation & Conservation Easement for the Property and to pay the cost of recording same in the Register of Deeds Office. For questions about COA’s and Historic Preservation & Conservation Easements, contact the HPC at 414-286-5712, or 414-286-5722, or hpc@milwaukee.gov. Concerning COA’s, see Milwaukee.gov/HPC.

Buyer agrees to comply with the General Exterior Repair Guidelines attached hereto as **EXHIBIT B**.

4. **Deed; Restrictive Covenants (Owner Occupancy, No Tax Exemption); Mortgage.** At Closing, Buyer agrees that *the Deed form attached hereto as EXHIBIT A (rather than the Deed attached to the City’s standard Offer)* shall be used to impose restrictive covenants restricting property-tax exempt status and requiring 5-year owner occupancy.

Buyer read the Deed form. Buyer understands: the restrictive covenants in the Deed, including the “Owner Occupancy Restriction” requiring real and actual owner-occupancy of the Property for the 5-year period (the “Residency Period”) from the date of the Deed; that if the “Owner Occupancy Restriction” is breached, Buyer will be liable to City for liquidated damages (plus interest); and that the liquidated damage amount is as follows:

If HIP Funds spent on Property (see Sec. 2) are \$75,000 or less	Liquidated Damages = \$25,000
If HIP Funds spent on Property (see Sec. 2) are more than \$75,000	Liquidated Damages = \$50,000

At Closing, Buyer will sign a Deed (in the form of **EXHIBIT A**), and Buyer will sign a Mortgage (in the form of **EXHIBIT C**) that gives the City lien rights concerning the liquidated damage amount plus accruing interest.

5. **City Entry Rights.** Buyer will allow City representatives, after Closing, at any time during the Residency Period, upon **10 days** prior written notice, to enter the Property, during weekdays from 8AM until 5 PM, in order to verify that Buyer is occupying the Property as an actual owner-occupant. Buyer agrees to, and shall, accompany City during any such entry. City’s notice of entry shall specify the date and time when City will enter. City’s entry under this provision shall be limited to weekdays from 8AM until 5 PM or such other time (beyond those parameters) as Buyer will allow.

6. **Documented Proof of Owner Occupancy.** At any time during the Residency Period, Buyer shall furnish City with written verification of Buyer’s actual owner-occupancy of the Property, upon **10 days** prior written request for such made by City. Such verification may include, but shall not be limited to:

- (A) photocopy of driver’s license including Buyer’s address
- (B) photocopy of utility bills (gas, heat, electric, cable, internet) for the Property
- (C) photocopy of bank statements for Buyer’s banks showing Buyer’s address
- (D) photocopy of federal and/or state income tax returns showing Buyer’s address
- (E) photocopy of voter registration address of Buyer
- (F) photocopy of Buyer’s insurance policy for the Property
- (G) Affidavit (in the form of **EXHIBIT D**) prepared by City, signed by Buyer, swearing, under penalties provided by law (including Wis. Stat.946.32) that Buyer actually owner-occupies the Property as required by the Deed.

During the Residency Period, Buyer shall also cooperate with City, upon **10 days** prior written request made by City, to produce or identify any other occupant of the Property and their relationship to Buyer and their status at or concerning the Property.

7. **Material Provisions; No Merger.** The provisions in this Addendum and the Offer survive Closing and Deed delivery and recording and shall not merge with the Deed. If Buyer refuses or fails to provide entry as required by Sec. 5 or documentation as required by Sec. 6, , and such refusal or failure persists for **5 days** after a written notice to cure from City to Buyer, then that refusal and failure to cure shall be deemed to be evidence of Buyer’s breach of the owner-occupancy requirement in the Deed entitling City to the remedies under the Deed and under the Mortgage.

8. **Successors.** As used herein, the term “Buyer” also includes any successor owner of the Property who owns during the Residency Period.

9. **Counterparts.** This Addendum may be signed in counterparts and facsimile and email signatures are acceptable.

DATED AS OF the date of City’s acceptance of the Offer.

<p>Buyer:</p> <p>Buyer signature: _____</p> <p>Print name: _____</p>	<p>Buyer:</p> <p>Buyer signature: _____</p> <p>Print name: _____</p>	<p>City of Milwaukee</p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Title: _____</p>
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EXHIBIT A

Document Number	QUIT CLAIM DEED
<u>Name and Return Address:</u>	
Tax Key Number: _____	
This deed and conveyance are exempt from the Wisconsin Real Estate Transfer Fee. Wis. Stat. 77.25 (2).	
<u>Drafted By:</u> City of Milwaukee, Dept. of City Development	
Recording Area	

THIS QUIT-CLAIM DEED is made as of _____, 20____, by the CITY OF MILWAUKEE (“**City**”), as Grantor, to _____ (“**Grantee**”).

1. Conveyance of Property. City conveys and quit-claims to Grantee, on an “AS-IS, WHERE-IS” basis, all of City’s right, title, and interest in and to the real estate described below (the “**Property**”):

[LEGAL DESCRIPTION], in the City of Milwaukee, Milwaukee County, Wisconsin.

T.I.N.: _____

Property Address: _____, Milwaukee, WI

2. Restrictive Covenants. This conveyance is subject to the following restrictive covenants, the terms and conditions of which were material inducements to City conveying the Property to Grantee, and but for Grantee’s acceptance of same **(i)** by execution of an Offer to Purchase with City and a Special Conditions Addendum concerning HIP Fund Improved Property (the “**Offer**” and “**Addendum**”), and **(ii)** by signing and accepting this Deed, City would not have conveyed the Property to Grantee. These restrictive covenants (and the provisions in the Offer and Addendum) are binding on Grantee and Grantee’s successors and assigns, including successor owners of the Property.

A. Tax Exemption Restriction. The Property must be taxable for property-tax purposes and no owner or occupant shall apply for, or seek, or accept, property-tax exemption, whether under Wis. Stat. 70.11 or otherwise, for the Property, or any part thereof. This restriction may only be released by recording against the Property in the Milwaukee County Register of Deeds (“**ROD**”) Office a resolution passed by the City’s Common Council by 2/3 vote approving release.

B. Owner Occupancy Restriction. For 5 years from the date of this Deed (the “**Residency Period**”), Grantee must owner-occupy the Property as Grantee’s real and actual, primary residential homestead so that the Property will be owner-occupied during the entirety of the Residency Period. During the Residency Period, 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 3-unit apartment, or a 4-unit apartment, then, during the Residency Period, the owner-occupancy and no-leasing restrictions shall only apply to one of the units therein such that at least one of the units satisfies the owner-occupancy and no-leasing restrictions during the entirety of the Residency Period.

Also notwithstanding the foregoing, Grantee may, during the Residency Period, convey the Property to another so long as the new owner satisfies the restrictions in this Section 2.B.

Also notwithstanding the foregoing, during the first [REDACTED] months of the Residency Period while Grantee is making improvements to the Property, Grantee may reside elsewhere without violating this "Owner Occupancy Restriction."

If this Section 2.B. "Owner Occupancy Restriction" restrictive covenant is breached in any manner during the Residency Period, Grantee (including any successor to Grantee, including any successor owner who was to owner occupy) shall be jointly and severally liable to City for agreed-upon liquidated damages of **\$25,000 (if HIP Funds spent on the Property were \$75,000 or less) or \$50,000 (if HIP Funds spent on the Property were more than \$75,000)**. **DCD shall select proper L.D. amount and delete the nonapplicable amount** That amount reflects agreed-upon liquidated damages and 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 a "**Notice of Violation of Owner Occupancy Restriction**" against the Property in the ROD Office, and the liquidated damages amount owed the 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 the City shall be secured by a **Mortgage** in and to the Property, given by Grantee to City dated of even date herewith.

City shall have all rights at law and in equity to enforce payment of any amounts owed hereunder, including, but not limited to, pursuing *in personam* liability against Grantee and/or successor owners and pursuing *in rem* and Mortgage foreclosure rights against the Property.

If no "Notice of Violation of Owner Occupancy Restriction" is recorded in the ROD Office against the Property by the "**5 year and one month**" anniversary of the date of this Deed, then: (i) this "Owner Occupancy Restriction" (Sec. 2.B.) and the City's rights associated therewith shall automatically terminate and expire (without any need to record any separate release or satisfaction of the same in the ROD Office), and (ii) the Owner Occupancy Restriction shall be of no further force or effect.

3. Grantee Signature. Grantee joins in signing this Deed to evidence Grantee's acceptance of the conveyance on the terms and conditions herein, including the restrictive covenants.

4. Successor Owners. The term "Grantee" as used herein includes Grantee and Grantee's successors and assigns including successor owners of the Property.

THIS IS A SAMPLE DEED. Per the Offer, the actual deed at Closing may contain other restrictions if City-Related Financing is used and that program requires other restrictions.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, City, as Grantor, and Grantee signed this Deed as of the date first written above.

<p>City Notary</p> <p>STATE OF WISCONSIN)) ss. MILWAUKEE COUNTY)</p> <p>Personally came before me this ____ day of _____, 20__, the City signatory identified, to me personally known, who signed this document on behalf of the City and acknowledged the same.</p> <p>_____ Notary Public, State of Wisconsin</p> <p>Name Printed: _____</p> <p>My commission expires: _____</p>	<p>City: CITY OF MILWAUKEE</p> <p>By: _____</p> <p>Print Name: _____ Special Deputy Commissioner Department of City Development</p> <p>MCO 304-49</p>
<p>Grantee Notary</p> <p>STATE OF _____)) ss. COUNTY OF _____)</p> <p>Personally came before me this ____ day of _____, 20__, the Grantee signatories identified, to me personally known, who signed this document as the Grantee(s) and acknowledged the same.</p> <p>_____ Notary Public, State of _____</p> <p>Name Printed: _____</p> <p>My commission expires: _____</p>	<p>Grantee:</p> <p>By: _____</p> <p>Print Name: _____</p> <p>And By: _____</p> <p>Print Name: _____</p>

EXHIBIT B
GENERAL EXTERIOR REPAIR GUIDELINES

Overall Exterior Improvements.

- All exterior materials must be evaluated, selectively repaired or replaced with like-with-like materials.
- All exterior features must be preserved and restored.
- The original wood clapboard and sawn shingle siding must be selectively repaired, primed and painted.
- All original wood trim including door and window hoods, corner boards, water-table boards and all porch elements shall be repaired and restored to their original condition.
- All original wood interior windows must be retained. Windows in poor condition should be repaired using wood resin epoxies, or must be replaced with wood windows of the same design and proportion.
- Any storm window replacements must be wood, double sash replacements cut to fit the existing openings.
- No additional door or window openings may be installed. Additional door or window openings may be considered on the east elevation of the structure after consultation with and approval of the HPC.
- All new and existing wood siding and trim must be restored, primed and painted.
- Restore masonry as needed with appropriate materials

Roof.

- Solar panels, vents, plumbing stacks or skylights may be considered for installation at the back of the house but must not be visible from the street.

Site.

- The existing walks and berms in the front yard should be retained. Retaining walls are not allowed in the front yard.
- A new garage and additional landscaping may be included if approved by the HPC as to design and materials.

EXHIBIT C

Document Number

Document Title

**REAL ESTATE MORTGAGE
OWNER OCCUPANCY RESTRICTION LIQUIDATED DAMAGES**

DRAFTED BY: City of Milwaukee, Dept. of City Development

Recording Area

Name and Return Address

Amy Turim
City of Milwaukee
Dept. of City Development
809 N. Broadway, 7th Floor
Milwaukee, WI 53202

xxx-xxxx-xxx

Parcel Identification Number (PIN)

This Mortgage is from **Owner Name** (“**Owner**”) (as Owner of the Property hereinafter described) to the City of Milwaukee, a municipal corporation (“**City**”).

1. **Mortgage.** Owner hereby mortgages to City the real estate described below, together with all privileges, hereditaments, easements and appurtenances thereto, and all rents, leases and profits therefrom, and all awards and payments made as a result of eminent domain (or payments in lieu of eminent domain), and all existing and future improvements and fixtures (all called the “**Property**”).

ADDRESS: «Address»

TAX KEY: «TaxKey»

Legal Description: «LegalDescription»

This is homestead property.

This is not a purchase money mortgage.

2. **Title; Limited Self-Subordination.** Owner is the fee owner of the Property, having acquired title by purchase from the City. This Mortgage self-subordinates, but only in strict accordance with the following, allowing Owner to finance **(i)** a purchase money mortgage debt to acquire the Property from the City and to rehabilitate the structure thereon, **(ii)** secured by a mortgage in the property recorded before the date hereof or within 7 days of the date hereof, and **(iii)** where the mortgagee is a federally-insured financial institution.

3. **Mortgage as Security.** This Mortgage secures Owner's \$25,000 or \$50,000 [DCD STRIKE INAPPLICABLE AMOUNT AND MAKE SURE AMOUNT IS CONSISTENT WITH DEED AND ADDENDUM] liquidated damages liability debt to City under the Deed of the Property from City to Owner dated of even date herewith (the "Deed") ("Liquidated Damages") together with interest that accrues on such debt until paid. Interest shall be at the same rate specified in the Deed and shall commence upon City recording in the Milwaukee County Register of Deeds ("ROD") Office against the Property of a "Notice of Violation of Owner Occupancy Restriction."

4. **Payment of Taxes; No Waste.** Owner agrees: to pay before they become delinquent all taxes, assessments and other charges that may be levied or assessed against the Property; to not commit waste, or allow waste to occur to the Property; and to keep the Property in good condition and repair.

5. **Insurance.** Owner is encouraged to keep improvements on the Property insured against direct loss or damage occasioned by fire, extended coverage perils and other hazards as a reasonably prudent owner would insure.

6. **Default; Remedies.** If Owner fails to pay City the Liquidated Damages amount when due as required by the Deed, City shall be entitled to record with the ROD the "Notice of Violation of Owner Occupancy Restriction" document, and City shall be entitled to its rights hereunder and under the Deed, including the right to its remedies available at law and in equity, including the right to foreclose upon this Mortgage.

7. **Waiver.** City may, in its discretion, waive any default without waiving any other subsequent or prior default by Owner.

8. **Severability.** Unless otherwise required by law, invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of any other provision.

9. **Successors and Assigns.** The obligations of all Owners are joint and several. This Mortgage is binding on each Owner and their respective heirs, personal representatives, successors and assigns.

10. **Satisfaction.** If no "Notice of Violation of Owner Occupancy Restriction" is recorded in the ROD Office against the Property by the "5 year and one month" anniversary of the date of this Mortgage, then this Mortgage shall be deemed satisfied and released of record, without any need to record any separate release or satisfaction of the same in the ROD Office.

11. **Counterparts.** This Mortgage may be signed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. Facsimile and/or PDF-email signatures shall be accepted as originals. Original signatures, however, shall be provided for recording purposes.

Dated as of _____.

<p>State of Wisconsin)) ss. Milwaukee County)</p> <p>On this _____ day of _____, 20____, before me personally came the herein-named Owners, to me known to be such persons, who executed the foregoing instrument, and acknowledged the same.</p> <p>_____</p> <p>Notary Public, State of Wisconsin</p> <p>Name Printed: _____</p> <p>My Commission Expires: _____</p>	<p>OWNER</p> <p>/x/ _____</p> <p>Name Printed: _____</p> <p>/x/ _____</p> <p>Name Printed: _____</p>
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EXHIBIT D

OWNER OCCUPANCY VERIFICATION AFFIDAVIT

GH 10-29-2019, CAO DOC 264358

“**Owner**” identified below states, swears, and affirms, as follows, under penalties provided by law for false swearing, including Wis. Stat. Wis. Stat. 946.32 (copy **attached**):

1. Buyer: _____ submitted an “Offer to Purchase” (“**Offer**”) to the City of Milwaukee (“**City**”) to buy from the City (as Seller) the following property in Milwaukee (the “**Property**”):

Address: _____

2. City accepted the Offer on _____, and also as of that date, Buyer and City entered into a “HIP Fund Improved Property” “Special Conditions Addendum” concerning that Offer and that Property (the “**Addendum**”).

3. City and Buyer closed on the transaction reflected by the Offer and Addendum, and a Deed from City to Buyer was recorded in the Milwaukee County Register of Deeds (“**ROD**”) Office on _____ as ROD Document No. _____ (the “**Deed**”).

4. Under the Addendum, City asked Owner to verify Owner’s actual, owner-occupancy of the Property, and Owner hereby provides this Affidavit to City for that purpose.

5. Owner states, swears, and affirms that:

A. Owner actually occupies the Property as Owner’s real and actual, primary residential homestead.

B. The Property is the one single place that Owner considers “home” and that Owner considers Owner’s fixed residence.

6. Owner uses the following address as Owner’s home address: _____

7. All other occupants that reside at the Property and their relationship to Owner are identified below and if any other occupant is a Tenant at the Property, Owner has indicated such:

Other Occupant Name	Relationship to Owner	Tenant at the Property (Yes or No)

Dated this _____ day of _____, 20__.

<p>Subscribed and sworn to before me this _____ day of _____, 20__.</p> <p>By: _____</p> <p>NOTARY PUBLIC, State of Wisconsin My Commission Expires: _____</p>	<p>OWNER</p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Phone: _____</p> <p>Email: _____</p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Phone: _____</p> <p>Email: _____</p>
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