SALE TO OWNER OCCUPANT

MKE Homes Initiative
Purchase and Sale Agreement

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX("**Purchaser**"), and the CITY OF MILWAUKEE ("**City**") are parties to that certain Contract for Services dated as of march 9, 2023 (the "**Agreement**"). In furtherance of that Agreement, Purchaser agrees to purchase from the City, and City agrees to sell to Purchaser all of the City's right, title, and interest in the property(ies) set forth in Exhibit A ("**Properties**" each a "**Property**") on the terms and conditions contained herein. For the purposes of this Purchase and Sale Agreement ("**PASA**"), Purchaser shall communicate with the City Real Estate Office of the Department of City Development ("**DCD**").

1. **Purchase Price**. The purchase price for each Property is set forth on Exhibit A ("**Purchase Price**") to be paid by cashier's check at time of Closing (defined hereafter), subject to the customary prorations and deductions pursuant to Section 14 ("**Net Price**"). In addition to the Net Price, Purchaser shall be responsible for all Closing costs, including but not limited to, recording fees, listing fees, and fees associated with any registrations required under Section 19 of this PASA.

2. **Proposed Use; Purchaser Subsequent Sale to Owner-Occupant Buyer**. After Closing, Purchaser shall renovate the home located at the Property in accordance with the **Homes MKE Rehabilitation Standards** (as such term is defined in the Agreement; See Exhibit B thereto) and by correcting code violations (see below). Purchaser shall seek a responsible Owner-Occupant Buyer for each Property in accordance with the terms of this Agreement. For the purposes of this Agreement, the term "Owner-Occupant Buyer" shall mean: an owner that personally resides at the Property as their primary residence, including, but not limited to: listing the home on their government issued photo ID, registering to vote from the address, filing for any homestead credit with their taxes, and/or receiving utility billings at the Property address for the Property/home address.

   a. **City General Purchaser Policies.** After Closing on City's conveyance to Purchaser, and when Purchaser conveys the Property to another, Purchaser shall attempt to sell to those who understand the responsibilities of owning the Property and who have demonstrated to Purchaser's reasonable satisfaction capacity to successfully own the Property in a way that will benefit the Property and its surroundings.

   b. **Explanation of Restrictive Covenants.** After Closing on City's conveyance to Purchaser, Purchaser must, at or prior to selling the Property to an Owner-Occupant Buyer, explain to Owner-Occupant Buyer, as the case may be, the restrictive covenants that the City imposed when the City conveyed the Property to Purchaser. All Owner-Occupant Buyers shall be required to attend a homebuying counseling course and deliver a certificate of completion thereof to DCD as a pre-condition to Closing on the purchase of a Property.

   c. **No 3rd Party Occupancy Until Scope Work Completed.** Purchaser may not allow an Owner-Occupant Buyer to occupy a Property, and Purchaser may not close on a sale to an Owner-Occupant Buyer prior to (i) completing the renovation of home located on the

Property in accordance with the Homes MKE Rehabilitation Standards and (ii) obtaining a Certificate of Code Compliance for the home located on the Property.

3. **No Broker**. No real estate broker was used regarding this transaction. City shall owe no broker commission as a result of this Agreement or Closing. Purchaser shall be responsible for any listing broker fees.

4. **No Earnest Money**. No earnest money is required concerning this transaction.

5. **Purchaser Identification and Disclosures.** Purchaser,XXXXXXXXXXXXXXXXXXXXXXXXXXXXis a Wisconsin limited liability corporation, having an address at XXXXXXXXXXXXXXXXXXXXXXXXXXXX.

List full legal names of all of Purchaser's corporate officers: XXXXXXXXXXXXXXX

Purchaser hereby certifies that it and all of its and officers and directors, directly or indirectly, are now and will at Closing be in compliance with the following "**City General Purchaser 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.

City will not execute this PASA if Purchaser, or any of its officers or directors, directly or indirectly are in violation of the City General Purchaser Policies, and City may terminate this PASA without any liability to Purchaser if such conditions exist at any time between the execution of this PASA and the Closing.

City may refuse to execute this PASA and/or terminate this PASA without any liability to Purchaser, if Purchaser has any outstanding City of Milwaukee offers or recently purchased property from City where improvements or renovations have not been completed.

Purchaser certifies that it and any entities associated with Purchaser and Purchaser's corporate members is in compliance with other agreements that it may have with City for other parcels it is buying from City and with deed restrictions that may be in place for other parcels that it may have bought from City.

Neither Purchaser nor any officer of Purchaser is an employee of the City of Milwaukee, Redevelopment Authority, Housing Authority, Milwaukee Economic Development Corporation or Neighborhood Improvement Development Corporation.

6. **Term**. This PASA shall be in effect until XXXXXXXXXXXXXXX. Purchaser must satisfy all contingencies and close on or before the "**Scheduled Closing Date**" (as defined in Section

10 of this PASA); the actual date on which this transaction closes being hereafter referred to as the "**Closing Date**".

7. **Duty to Comply with Building Code**. Conveyance shall be subject to all building and health code violations outstanding at Closing Date, if any. Purchaser shall bring the Property into compliance with the City of Milwaukee Building Code, complete the Scope of Work consistent with the Homes MKE Rehabilitation Standards for the Property(ies), and obtain Certificate of Code Compliance on or before the date that is nine months following the Closing Date.

8. **Property Condition, AS IS.** City shall convey the Property 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. Purchaser shall rely on Purchaser'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. Any scope of work or cost estimates provided by City (if any) in connection with the renovation of home located on the Property are for informational purposes only, and the City does not warrant the content or conclusions of same. Purchaser is encouraged to retain its own consultant to evaluate structure condition and renovation costs.

   City has conducted no investigation of the structural condition or improvements to the Property, survey of any encroachments or easement, or of the bearing capacity of the subsoil. The Property(ies) may contain lead-based paint (especially if constructed prior to 1978), a lead water service line, a shared water supply, asbestos, and underground storage tanks. The Purchaser is solely responsible for obtaining any Property investigations at its sole expense.

   Because no Transfer Fee is required for the City conveyance (Wis. Stat. 77.25 (2)), per Wis. Stat. 709.01 (1), City is not required to, and will not, provide a Wis. Stat. Ch. 709 "Real Estate Condition Report."

10. **Closing**. Closing on this transaction ("**Closing**") shall take place at the offices of a title company selected by the DCD at a time and date that will be on or before thirty (30) days from the date of this PASA ("**Scheduled Closing Date**").

11. **Quit-Claim Deed of Property; AS-IS Sale; Restrictions**. Upon delivery of the Net Price by Purchaser, City shall convey the Property to Purchaser by Quit-Claim deed ("**Deed**") in the form attached hereto as **EXHIBIT B,** and containing the restrictive covenants set forth in that Deed.

    See EXHIBIT B - Deed for restrictive covenants.

12. **Title Insurance.** No evidence of title shall be provided by City.

13. **Legal Possession & Occupancy.** Legal possession of the Property shall be delivered to Purchaser at Closing. Physical occupancy is subject to the rights of tenants in possession, if any. At Closing, and upon delivery of the Deed to Purchaser, whatever occupancy rights City has in and to the Property will become Purchaser's. After Closing, Purchaser will immediately secure the Property with Purchaser's own locking mechanisms and keys;.

14. **Proration**. Property taxes and/or utility bills, if any, shall be pro-rated to the Closing Date. 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 Purchaser 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 may terminate this Offer, without any liability to Purchaser, if City is unable to provide marketable title or City is unable or unwilling to remove valid objections to title prior to Closing. If Property is damaged prior to Closing, City reserves the right to terminate this Offer.

16. **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 Wis. Stat. 101.122. Purchaser is responsible for all costs, expenses and fees for complying with this program.

17. **Transfer Fee**. No real-estate-transfer fee shall be due at Closing pursuant to Wis. Stat. 77.25(2). Purchaser shall cooperate with City regarding information needed for completion of the transfer return required by Wis. Stat. 77.255.

18. **Recording Deed**. Promptly after Closing, the Deed shall be recorded by the City or other party, such as a title company, as required by Milwaukee Code of Ordinances ("**MCO**") 304-49-11. Purchaser 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.

19. **Property Recording/Code Compliance.** Purchaser shall be required to register the Property with DNS under MCO 200-51.5 (Property Recording). Purchaser may seek an exemption from registering under MCO 200-51.7 (Vacant Building Registration). Purchaser shall also complete a Code Compliance Application for each property at Closing.

20. **Successors and Assigns.** This PASA binds and inures to the benefit of the parties hereto and their successors and assigns. However, Purchaser may not assign any rights, or obligations under this PASA without the prior written consent of City by its DCD.

21. **Facsimile and Counterparts.** This PASA may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Email/PDF signatures shall be accepted as originals.

22. Entire Agreement. This PASA and the Agreement constitute the entire agreement between the parties and all other statements, written or oral, are of no effect. This PASA may only be amended by a written agreement signed by all the parties hereto.

23. Severable. The terms and provisions of this PASA 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.

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

25. 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:	**If to Purchaser:**
Deborah McCollum-Gathing	XXXXXXXX
Department of City Development	XXXXXXX
809 North Broadway, 2nd Floor	XXXXXX
Milwaukee, WI 53201	_____
Phone: 414-286-5738_____	_____
Email Deborah.McCollum-Gathing@milwaukee.gov	_____
	_____
	_____

26. Remedies. Except as otherwise provided herein, in the event of breach of this PASA, the nonbreaching party shall have all rights and remedies available at law and in equity against the breaching party.

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

Purchaser: _____

By: _____
Name Printed: _____
Title: Member_____ _____
Date ▲

FEIN of Purchaser: XX-XXXXXXX

Seller: City of Milwaukee

By: _____
Name Printed: Deborah McCollum-Gathing
Title:_Special Deputy Commissioner _____

Date:

EXHIBIT A to PASA

Property

XXXXXXXXXXXXXXXXXXXXXXXX

Exhibit B to PASA

Form of Deed

EXHIBIT B

(FORM OF DEED)

Document Number	QUIT CLAIM DEED	

Name and Return Address:
Deborah McCollum-Gathing
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53201

Tax Key Number: See Exhibit A

Drafted by: City of Milwaukee

This deed and conveyance are exempt from the Wisconsin Real Estate Transfer Fee per Wis. Stat. 77.25 (2).

Recording Area

THIS QUIT-CLAIM DEED is made as of this _____ day of _____, 202___and is by the **CITY OF MILWAUKEE**, a Wisconsin municipal corporation ("**City**") as grantor, to the _____ ("**Purchaser**") as grantee, for good and valuable consideration.

A. Conveyance of Property. City hereby conveys and quit-claims to Purchaser, on an "AS-IS, WHERE-IS" basis, all of City's right, title, and interest, in and to the real estate described in Exhibit A hereto ("the **Property**".)

The Property is also subject to the terms and conditions contained in that certain Contract for Services (the "**Agreement**") between City and Purchaser dated as of _____, 2023 [and recorded with the Milwaukee County Register of Deeds on _____, 2023 as Document Number]. _____.

B. Restrictive Covenants. This conveyance and the Property are subject to the following Restrictive Covenants. The terms and conditions of these Restrictive Covenants were material inducements to City conveying the Property to Purchaser, and but for Purchaser's acceptance of the terms and conditions by execution of the Purchase and Sale Agreement between City and Purchaser and the Contract for Services between City and Purchaser, City would not have conveyed the Property to Purchaser. The restrictive covenants are binding on Purchaser as the owner of the Property and upon Purchaser's successors and assigns, including successor owners of the Property.

1. Code Compliance and Scope Completion Requirement ("Performance Restriction").

(a) On or before the date that is nine months following the date hereof, Purchaser shall **(i)** bring the Property into full compliance with applicable building codes and ordinances, and **(ii)** complete the renovation of the home located on the Property in accordance with Homes MKE Rehabilitation Standards (as defined in the Agreement), and **(iii)** obtain a Certificate of Code Compliance for the home located on the Property.

(b) If City does not record with the Milwaukee County Register of Deeds ("**ROD**") Office a "Notice of Breach" of this Performance Restriction on or before the date that is twelve (12) months following the date hereof ("**Expiration Period**"), then this Performance Restriction shall be deemed satisfied of record, and it shall no longer be an encumbrance against title; and, City shall have no right to recover, and no lien regarding, liquidated damages for breach regarding this particular restriction (see Section C below).

2. Owner Occupant Use Restriction.

(1) Purchaser shall convey the Property to another for that person's owner-occupied residential homestead, and until the 5-year anniversary of this Deed, that buyer must occupy the Property as buyer's primary residential homestead. Said buyer, until the 5-year anniversary of this Deed shall be bound hereby and may not convey the Property to another unless that person shall, until the 5-year anniversary of this Deed, occupy the Property as that person's primary residential homestead.

(2) If City does not record with the ROD Office a "Notice of Breach" of this restriction within five years and 3 months from the date of this Deed ("Expiration Period"), then this restriction shall be deemed satisfied of record and it shall no longer be an encumbrance against title; and, City shall have no right to recover, and no lien regarding, liquidated damages for breach regarding this particular restriction (see Section C below).

(3) Notwithstanding the foregoing, if the Property is a duplex, the occupancy restriction for the buyer shall only apply to one of the units therein such that at least one of the units is occupied by the buyer.

3. Restriction Against Tax Exemption.

(a) Property to Remain Taxable. The Property shall at all times be and remain fully taxable for purposes of all *ad valorem* real property taxes payable under Wisconsin law, and thus Purchaser and its successors or assigns shall not apply for, seek, or accept, any property tax exemption (whether under Wis. Stat. § 70.11 or otherwise) for the Property, or any portion of the Property.

(b) Release. Notwithstanding the foregoing, the restriction arising under this Section 3 may be released by a resolution passed by the Common Council of the City of Milwaukee for the purpose of granting such release.

C. **Restrictive Covenant Violation**.

1. If Purchaser (or any assignee or successor, including a successor owner of the Property) violates any of the above restrictive covenants 1 or 2, City may record with the ROD Office a "Notice of Breach" and Purchaser and the then-owner of the Property shall be jointly and severally liable to the City for the total amount paid to the Contractor pursuant to the Agreement (as further defined in "Amount of Contract" and the Reimbursement Worksheet as set forth in the Agreement). Those funds shall be paid within ten (10) days of City's written demand therefore sent to the Property address and to the respective last-known addresses of Purchaser and the then-owner of record.

In the event of nonpayment (in full or in part), City shall be entitled to record evidence of non-payment with the ROD 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 Purchaser 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 Purchaser and/or the then-current owner and pursuing *in rem* and foreclosure rights against the Property. Additionally, the term of the restriction covenant may be extended for any period of non-compliance, such extension period to be set forth in the Notice of Breach.

IN WITNESS WHEREOF, City of Milwaukee, as Grantor, caused this Deed to be executed as of the following date:_____, 202__.

CITY: CITY OF MILWAUKEE

By _____
Deborah McCollum-Gathing
Department of City Development
City Common Council Resolution File Nos. 220656

STATE OF WISCONSIN)
) ss.
MILWAUKEE COUNTY)

Personally came before me this _____day of _____, 202___, Deborah McCollum-Gathing, the Special Deputy Commissioner of the Department of City Development of the City of Milwaukee, who, on the City's behalf, executed the foregoing instrument and acknowledged the same.

_____
Notary Public, Milw. Co. , Wisconsin

My commission expires: _____

Exhibit A

Legal Descriptions

1) **Legal Description**: _____, in the City and County of Milwaukee, State of Wisconsin.

   Address: _____, Milwaukee, WI.

   Tax Key Number: _____