



NOTICE AND AGENDA
Special Joint Meeting of the Beloit City Council and the
Greater Beloit Economic Development Corporation Board of Directors

Monday, December 22, 2014 – 5:00 p.m.
Community Room – Beloit Public Library
605 Eclipse Boulevard
Beloit, WI 53511

NOTICE IS HEREBY GIVEN that, in accordance with Section 2.02(3) of City Code, a Special Meeting of the City Council of the City of Beloit, Rock County, Wisconsin, is being called.

1. Call to order and roll call – City Council (Spreitzer)
2. Call to order and roll call – GBEDC Board of Directors (Klett)
3. Resolution approving a **Development Agreement** between the City of Beloit, the Greater Beloit Economic Development Corporation and Pratt Industries, Inc. (Arft/Janke)
4. Resolution authorizing the City Manager to submit an application for a **Transportation Economic Assistance (TEA) Grant** from the Wisconsin Department of Transportation (Janke)
5. GBEDC Resolution approving a **Grant Agreement** between the Greater Beloit Economic Development Corporation and Pratt Industries, Inc. (Janke)
6. Adjournment – City Council and GBEDC

NOTICE AND AGENDA
Special Meeting of the Beloit City Council

Monday, December 22, 2014 – 6:00 p.m.
Community Room – Beloit Public Library
605 Eclipse Boulevard
Beloit, WI 53511

NOTICE IS HEREBY GIVEN that, in accordance with Section 2.02(3) of City Code, a Special Meeting of the City Council of the City of Beloit, Rock County, Wisconsin, is being called.

1. Call to order and roll call
2. Review, consideration, and possible action regarding proposals from executive search firms to conduct an **Executive Recruitment for the City Manager Position** (Marshall)
3. Adjournment

Larry N. Arft, City Manager

Dated: December 19, 2014
Rebecca Houseman LeMire
City Clerk
www.beloitwi.gov

**Please note that, upon reasonable notice, at least 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk's Office at 364-6680, 100 State Street, Beloit, WI 53511

**RESOLUTION APPROVING A DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF БЕЛОIT, THE GREATER БЕЛОIT
ECONOMIC DEVELOPMENT CORPORATION, AND
PRATT INDUSTRIES, INC.**

WHEREAS, Pratt Industries, Inc. has chosen to locate a manufacturing production facility in Beloit, Wisconsin; and

WHEREAS, the City of Beloit, the GBEDC and the State of Wisconsin have established and implemented policies of providing aggressive incentives to encourage and incentivize companies to build in the State of Wisconsin and the City of Beloit in order to create jobs and increase the tax base; and

WHEREAS, as a result of the companies' analysis of the incentives offered by the State, the City and the GBEDC, the company has agreed to locate its facility in the City of Beloit; and

WHEREAS, the City Council also finds that it is in the best interests of the City of Beloit for Pratt Industries, Inc., to locate its planned development of a manufacturing production facility in the City of Beloit.

NOW, THEREFORE, BE IT RESOLVED that the City Manager of the City of Beloit be, and is hereby, authorized to execute the attached Development Agreement, including the incentives therein, and do all things necessary, including the execution of any necessary documents, to implement all the provisions contained therein and any such other actions in furtherance of this development on behalf of the City of Beloit.

Adopted this 22nd day of December, 2014.

City Council of the City of Beloit

Mark Spreitzer, President

Attest:

Rebecca Houseman LeMire, City Clerk
tdh\resolution\Pratt = res = 20141219 (14-1208)

CITY OF BELOIT AND THE GREATER BELOIT ECONOMIC DEVELOPMENT CORPORATION REPORTS AND PRESENTATIONS TO CITY COUNCIL AND BOARD OF DIRECTORS

Topic: Resolution approving a Development Agreement between the City of Beloit, the Greater Beloit Economic Development Corporation, and Pratt Industries, Inc. and a Resolution approving a Grant Agreement between the Greater Beloit Economic Development Corporation and Pratt Industries, Inc.

Date: 12/22/14

Presenter(s): Andrew Janke

Department(s): Economic Development

Overview/Background Information: City/GBEDC staff responded to a Request for Proposal (RFP) that originated from WEDC early in September of this year. The RFP was conducted by Pratt Industries Inc. who was seeking a site for a corrugated paper manufacturing facility. The company evaluated sites throughout the upper-Midwest (Iowa, Illinois, Wisconsin and Minnesota) and after an extensive search Pratt has selected a site in Beloit's Gateway Business Park. The new plant will convert corrugated container board produced at Pratt's recycled paper mills into sheets and convert those sheets into finished boxes for distribution throughout the Midwest. Pratt is a privately held corporation that, through its subsidiaries, manufactures and markets corrugated packaging facilities throughout the U.S. The company uses 100% recycled materials in producing their products that are used to package household name consumer products. The company employs over 4,400 people in the U.S. and has grown from the 46th largest box producers to the 5th largest, with facilities in more than 20 states. The attached Development Agreement that has been negotiated with the company includes several key issues:

Key Issues

1. The company is proposing to build a 350,000 square feet manufacturing facility with approximately 10,000 square feet of office space. The proposed site is approximately 56 acres.
2. Capital investment in the project is estimated at \$52 million.
3. The company is expecting to create 140 permanent full-time "green collar" manufacturing jobs. 25% being salaried positions within three years of start-up. Aggregate payroll is estimated at roughly \$8,000,000. Estimated annual pay ranges from \$13.00-\$27.00 an hour. The company will provide a full range of benefits. Up to 200 temporary construction jobs are expected to be created by the project.
4. The company hopes to close on the land sale in early 2015, begin construction in the spring, and be fully operational by January 2016.
5. The City is agreeing to reserve water and sewer capacity in sufficient quantities to meet the plants fully operational requirements while not putting any undo strain on the City's overall capacity.
6. As time is of the essence for Pratt to begin and finish construction the company is proposing that it likely will need to have construction activity occur nearly 24 hours a day while the concrete for the footings, slab, and site-cast panels are poured on-site. In anticipation and to accommodate this aggressive work schedule the City is exempting Pratt from the enforcement of the City of Beloit's night time work restriction ordinance for a period of time not to exceed 120 days. However, Pratt has agreed to provide notice to the City and adjoining property owners when afterhours work occurs and furthermore, has agreed to endeavor to mitigate construction noise that occurs after hours.
7. The City of Beloit is providing a \$3.6 million, TID #10 funded, incentive package that includes the following components:
 - Conveyance of the site to Pratt for \$1.00
 - A Direct Developer Incentive equal to 35% of taxes paid over 8 years
 - A \$100,000 Training Grant
 - A matching grant of \$350,000 for the planned rail spur
 - A wetland mitigation grant in the amount of \$200,000
 - A site preparation grant in the amount of \$200,000
 - The City has agreed to pay all surveying/engineering and closing costs estimated at \$16,000.
8. The GBEDC is participating in the project by providing a \$200,000 discretionary grant that includes "claw back" provisions if the company fails to meet its job creation/retention goals.
9. The Wisconsin Economic Development Corporation is participating in the project by providing the company with up to \$2.4 million in Jobs Tax Credits and a \$1.75 million low-interest loan for equipment.
10. The City intends to apply to the Wisconsin Department of Commerce for a TEA Grant to fund a portion of the planned rail spur.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.): This business development project clearly supports Goal #2 of the City of Beloit's Strategic Plan since it will result in the

creation of new jobs and will leverage new private investment. Furthermore, the project supports the GBEDC's mission to attract and to act as the primary organization coordinating, facilitating, and implementing economic development activities in the Greater Beloit area.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels**
The proposed company uses a fully integrated supply chain and all raw materials used in their products comes from recycled paper. The company's facility will use 600 tons of recycled boxes a day at full capacity, the equivalent of saving more than 10,000 trees every 24 hours. The company has a goal to eventually reduce its sewer discharge to zero and the plant will be a showcase for environmental responsibility.
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature**
The proposed company uses a fully integrated supply chain and all materials used in their products comes from recycled paper.
- **Reduce dependence on activities that harm life sustaining eco-systems**
The proposed development will not impact sensitive wildlife and will disturb less the 2 acres of delineated wetland.
- **Meet the hierarchy of present and future human needs fairly and efficiently**
The project achieves this by creating good paying jobs. The project will also be developed in an existing industrial park and therefore will not contribute to urban sprawl and no new public infrastructure will need to be extended.

Action required/Recommendation: Staff recommends Approval of the Resolutions.

Fiscal Note/Budget Impact: For the City of Beloit sufficient cash reserves are available to pay the proposed TID funded incentives and the project will provide additional increment to TID # 10 which is already cash flowing positively. For the GBEDC the organization has sufficient cash retained earnings to provide the proposed discretionary grant.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made as of the 22nd day of December, 2014, (the "Agreement") by and amongst the **CITY OF БЕЛОIT**, a Wisconsin municipal corporation, with its principal place of business located at 100 State Street, Beloit, Wisconsin 53511 (hereinafter "**CITY**"), **THE GREATER БЕЛОIT ECONOMIC DEVELOPMENT CORPORATION**, a Wisconsin non-stock corporation, with its principal place of business located at 500 Public Avenue, Beloit, Wisconsin 53511 (hereinafter "**GBEDC**"), and **PRATT INDUSTRIES, INC.**, a Delaware corporation with its principal place of business located at 1800-C Sarasota Parkway, Conyers, Georgia 30013 (hereinafter "**PRATT**"). Any reference to **PRATT** hereafter in this Agreement shall mean Pratt Industries, Inc., a Delaware corporation and/or any of its Affiliates. As used herein, "Affiliate" means any subsidiary of Pratt Industries, Inc., a Delaware corporation, or any entity under common control with Pratt Industries, Inc., a Delaware corporation, or any of its subsidiaries, whether existing now or created in the future.

RECITALS

WHEREAS, the **CITY** owns 56.3 acres of land commonly known as 1901 Gateway Boulevard in the City of Beloit, Rock County, Wisconsin (hereinafter "Project Site"); and

WHEREAS, **PRATT** wishes to acquire the Project Site for the purpose of constructing a corrugated and box manufacturing facility (hereinafter "Private Improvements"); and

WHEREAS, **PRATT** has explored several alternative locations for its expansion; and

WHEREAS, **GBEDC** and **CITY** wish to encourage **PRATT** to purchase the Project Site and to construct Private Improvements thereon.

NOW, THEREFORE, GBEDC, CITY and PRATT (collectively the “Parties”) agree as follows:

1. **CONVEYANCE OF LAND.** The **CITY** shall convey title and possession of the Project Site consisting of approximately 56.3 acres to Pratt Properties II, LLC, a Delaware limited liability company, pursuant to the terms and conditions of the purchase agreement attached hereto and marked as Exhibit A. The conveyance of the Project Site and **PRATT’S** use of the Project Site shall be subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement, the purchase agreement and the conveyance documents. The Project Site is further described as tax parcel number 2214-0600, commonly known as 1901 Gateway Boulevard, and is shown on Exhibit B which is attached hereto and so marked.

2. **CONSTRUCTION OF PRIVATE IMPROVEMENTS.** **PRATT** shall construct Private Improvements on the Project Site in conformance with plans and specifications to be developed and finalized by **PRATT** (“Plans”), a preliminary draft version of such Plans are attached hereto for reference purposes only as Exhibit C. The **CITY** agrees to timely and reasonably approve, or support the approval of, such Plans when submitted, pursuant to Paragraph 4 hereafter. The Private Improvements will include a building footprint covering approximately 350,000 square feet. The estimated cost to **PRATT** associated with the construction of the Private Improvements and the procurement and installation of the business personal property, trade fixtures, manufacturing infrastructure and equipment, transport systems and the appurtenances thereto, which collectively comprise **PRATT’S** proposed corrugated and box manufacturing operations and equipment, is estimated at approximately fifty million dollars (\$50,000,000). The scope and scale of the Private Improvements to be

constructed shall not be significantly less than the scope and scale of the Private Improvements outlined in Exhibit C or the Plans ultimately approved by **CITY**, as contemplated herein.

If **PRATT** desires to make any material changes in the Plans, as determined by **PRATT** acting in good faith, **PRATT** shall submit proposed changes to **CITY** for its approval, which approval shall not be unreasonably withheld, conditioned or delayed. If the Plans, as modified by the proposed changes, do not constitute a material reduction in the scope or size of the project, **CITY** shall promptly approve the proposed changes. Such changes in the Plans shall be deemed approved by **CITY** unless rejected in writing within ten (10) days by **CITY** with a statement of **CITY**'s reasons for such rejection.

3. **COMMENCEMENT AND COMPLETION OF CONSTRUCTION.** Subject to Unavoidable Delays, defined herein, **PRATT** shall commence construction of the Private Improvements on or before the 1st day of May, 2015 or on such other date as the Parties shall mutually agree in writing (the "Commencement Date"). Subject to Unavoidable Delays, **PRATT** shall substantially complete the construction of the Private Improvements within sixteen (16) months after the Commencement Date or on such other reasonable and practical date as the Parties shall mutually agree in writing. All work with respect to the Private Improvements to be constructed or provided by **PRATT** on the Project Site shall conform in all material respects with the Plans.

"Unavoidable Delays" means delays outside of the reasonable control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the improvements being constructed, litigation commenced by third parties which, by injunction or other similar judicial

action, directly results in delays, or acts of federal, state or local government unit which directly results in delays.

4. **SITE PLAN REVIEW AND BUILDING PERMITS.** PRATT shall submit the Plans to CITY for review and approval in accordance with CITY's zoning and architectural review ordinances. CITY agrees to expedite CITY's site plan, building plan and architectural review processes and to take appropriate action as is necessary to assist PRATT in obtaining prompt review of building and site plans by the State of Wisconsin.

5. **ZONING.** CITY represents that the Project Site is currently zoned M-2, general manufacturing district, and that based upon the preliminary draft plans submitted by PRATT, no zoning changes, variances, nor conditional use permits are needed to permit construction of the Private Improvements or operation of the proposed corrugated and box manufacturing operations on the Project Site, as well as other uses ancillary or accessory thereto.

6. **PRECLOSING ACCESS TO PROJECT SITE.** CITY hereby authorizes PRATT or its agents, employees, contractors, representatives and other designees to enter the Project Site prior to closing and to do each of the follow:

a. Conduct any soil surveys, soil borings, or other testing necessary to satisfy PRATT that the Project Site is physically suitable for acquisition by PRATT and for construction of the proposed Private Improvements.

b. Conduct any environmental investigation or testing necessary to satisfy PRATT that the Project Site is environmentally suitable for acquisition by PRATT and for the construction of the proposed Private Improvements.

c. Begin site work, including excavation, cutting, filling, drainage and foundation work, provided that such site work is done in compliance with all local ordinances and with all required permits.

If **PRATT** fails to close on the purchase of the Project Site, for any reason, **PRATT** will restore the site to its original condition within four (4) months from the closing date identified in the purchase agreement or as otherwise extended pursuant to an amendment to the purchase agreement attached hereto and marked as Exhibit A. **PRATT** agrees that, in consideration of the pre-closing access to the Project Site, **PRATT** will indemnify and hold **CITY** harmless from any liability arising out of the acts or omissions of **PRATT**, its agents, employees, contractors, representatives and other designees while occupying, entering, or leaving the Project Site prior to closing.

7. **CONDITIONS PRECEDENT TO CLOSING.** **PRATT's** obligation to consummate the transaction contemplated by this Agreement is subject to the following conditions, any of which may be waived by **PRATT** by delivery of written notice to **CITY**:

a. Jobs Tax Credits. Wisconsin Economic Development Corporation ("WEDC") shall issue a written commitment from the WEDC indicating that it has certified **PRATT** as eligible for state income tax credits of up to Two Million, Four Hundred Thousand Dollars (\$2,400,000). A copy of that commitment is attached hereto and marked as Exhibit D.

b. WEDC Loan. WEDC shall issue a written commitment from the WEDC indicating that it has approved a loan in the amount of One Million Seven Hundred and Fifty Thousand Dollars (\$1,750,000), and all conditions precedent to the

disbursement of such loan shall be satisfied. A copy of that commitment is attached hereto and marked as Exhibit D.

c. TEA Grant. Currently there is no rail access to the Project Site. **CITY** shall participate in funding (as set forth below) and assist in the construction of a rail spur from the adjoining UP Rail Line to the Project Site by acting as a sponsoring agency in **PRATT's** application for a Transportation Economic Assistance (TEA) Grant from the Wisconsin Department of Transportation, if **PRATT** elects in its sole discretion to construct a rail spur from the adjoining Union Pacific rail line to the Project Site. The Parties anticipate that the cost of constructing a rail spur as shown on Exhibit C and the Plans will be approximately Seven Hundred Sixty-Five Thousand Dollars (\$765,000), and that (i) fifty percent (50%) of the anticipated cost will be covered by the WisDOT TEA Grant, (ii) Three Hundred Fifty Thousand Dollars (\$350,000) will be covered by **CITY**, and (iii) any residual balance, if any, being the responsibility of **PRATT**. The Parties shall cooperate fully in the WisDOT grant application process. Should the WisDOT TEA Grant not be awarded, **PRATT**, in its sole discretion, but with no obligation to do so, may elect to fund WisDOT's aforementioned share of the total estimated cost of the rail spur. If **PRATT** elects not to construct a rail spur from the adjoining Union Pacific rail line to the Project Site, the **CITY** shall have no monetary contribution owed under this paragraph. It is agreed that **PRATT's** decision not to construct the rail spur shall not be deemed a reduction in the scope or scale of the Private Improvements outlined in Exhibit C.

The WisDOT TEA Grant requires an economic development project to create and retain jobs as a condition of approval. If **PRATT** fails to meet the job creation and retention requirements, **PRATT** shall reimburse the **CITY** for any repayment expense ordered by the Wisconsin Department of Transportation.

d. GBEDC Discretionary Grant. **GBEDC** shall issue a written commitment from the **GBEDC** indicating that it has awarded **PRATT** a grant in the amount of Two Hundred Thousand Dollars (\$200,000). The grant shall be used to offset a portion of the capital costs that **PRATT** shall incur in constructing the Private Improvements. **GBEDC** and **PRATT** shall enter into a separate agreement detailing the terms and conditions of the grant that shall be approved by resolution by the **GBEDC**. A copy of that agreement is attached hereto and marked as Exhibit E.

e. Conditions of Offer. All conditions precedent to closing as set forth in the purchase agreement or this Agreement shall have been satisfied or waived in writing by **PRATT**.

8. **TRANSFER OF PRATT'S INTEREST IN PROJECT SITE.** **PRATT** may not sell or otherwise convey or transfer the Project Site to a third party (other than an Affiliate) prior to the substantial completion of the construction of the Private Improvements described in Paragraph 2 of this Agreement as evidenced, at minimum, by a temporary Certificate of Occupancy, issued by **CITY**, or other authority having jurisdiction. **PRATT** may sell all or part of the Project Site to a third party after construction of the Private Improvements is complete.

PRATT warrants, represents, and agrees that its undertakings pursuant to this Agreement will be for the purpose of constructing Private Improvements on the Project Site and not speculation in land holdings.

9. **GOVERNMENTAL INSPECTIONS.** Nothing contained in this Agreement shall be construed as limiting or otherwise restricting the right or power of **CITY** to conduct inspections (by way of example and not limitation, commercial fire inspections, commercial building permit (HVAC, plumbing, electrical, and construction) inspections, and environmental water/wastewater inspections) or to access the Project Site in the enforcement of rules, regulations, ordinances, or in the exercise of **CITY's** police power.

10. **CLOSING COSTS.** **CITY** shall pay all closing costs required to conclude the transaction including, without limitation, the following: all closing costs, transfer taxes and recording fees, and costs related to title work (commitment and policy), ALTA survey (reasonably acceptable to **PRATT**), a topographical survey, an archeological/historical survey, Phase 1 Environmental Site Assessment, wetland delineation survey, and subdivision, zoning platting and recording.

11. **CITY JOB TRAINING INCENTIVE.** **CITY** agrees to provide a job training incentive of One Hundred Thousand Dollars (\$100,000) to **PRATT**. **PRATT** shall be entitled to a payment of Seven Hundred Fourteen and 29/100 Dollars (\$714.29) for each full-time equivalent position (up to a maximum of 140 positions) that is created, maintained and working at the Project Site for more than twelve (12) continuous months. **PRATT** shall document the usage of the job training incentive funds providing receipts or other evidence satisfactory to **CITY** in a timely

fashion. The job creation obligations set out in Paragraph 15 below are in no way modified by the provisions in this paragraph relating to job training incentives.

12. **WETLAND MITIGATION.** CITY shall provide PRATT with a grant in an amount not to exceed Two Hundred Thousand Dollars (\$200,000) for the primary purpose of mitigating any wetlands as required to construct the Private Improvements on the Project Site substantially in accordance with Exhibit C and the Plans. Such wetland mitigation shall be conducted in a cost-conscious manner mutually acceptable to the Parties and approved by the Wisconsin Department of Natural Resources. CITY further agrees to allow PRATT to apply any excess portion of the Two Hundred Thousand Dollar (\$200,000) grant that is not required for said mitigation of wetlands toward other site preparation improvements and/or construction costs, including but not limited to those described in Paragraph 13 of this Agreement.

13. **SITE PREPARATION GRANT.** CITY shall provide PRATT with a grant in the amount of Two Hundred Thousand Dollars (\$200,000) for costs PRATT may incur to prepare the Project Site to construct the Private Improvements including, but not limited to, the following costs: grading, cutting, filling, excavating, landscaping, paving, temporary and permanent erosion control, drainage, etc. PRATT shall document the usage of the Site Preparation Grant Funds by providing receipts or other evidence satisfactory to CITY in a timely fashion.

14. **DIRECT DEVELOPER INCENTIVE (“DDI”).** The Project Site is located in Tax Incremental Financing District (TID) #10 in the City of Beloit, which was established on January 1, 2001 which will expire October 16, 2023. A map of TID #10 is attached hereto and marked as Exhibit F. The current project plan for TID #10 provides for the payment of a direct monetary incentive to persons who would create economic development and job creation in the TID. The

CITY agrees to provide eight (8) consecutive annual DDI payments in the amount of thirty-five percent (35%) of the real estate taxes and personal property taxes actually paid by **PRATT** during the calendar year in which each DDI payment comes due for such amounts of annual real estate taxes and personal property taxes directly attributable to the Project Site and Private Improvements. The first annual payment shall be made on September 1st of the year following the first tax year during which the Private Improvements are assessed, as either partially or fully constructed, which is anticipated to be on or before September 1, 2016. **CITY's** obligation to pay the annual DDI payment is conditioned upon continuing manufacturing operations at the Project Site at substantially the same level of manufacturing operations, or greater, as occurred during the first year the property is fully assessed.

CITY'S obligation to pay the annual DDI payment is conditioned upon **PRATT** paying, when due, all real estate taxes and personal property taxes related to the Project Site.

15. **JOB CREATION AND RETENTION.** **PRATT** shall create one hundred forty (140) full-time positions at the Project Site pursuant to the following schedule or on such other date as the Parties shall mutually agree in writing:

Jobs created or retained	No later than
50	December 31, 2015
80	December 31, 2016
110	December 31, 2017
140	December 31, 2018

PRATT further agrees to retain the 140 full-time positions created at the Project Site through January 1, 2024, or through the calendar year in which the last DDI payment is paid to **PRATT**, whichever date is later. If **PRATT** creates or **PRATT** retains fewer than 140 jobs, the DDI payments shall be reduced by an amount equal to the percentage difference between 140 jobs

and the number of actual jobs created or retained and those working at the Project Site. This formula will be used to calculate the DDI payment in any and all years the number of jobs created or retained and those working at the Project Site fall below those required in this Paragraph.

16. **INVESTMENT IN GREATER BELOIT ECONOMIC DEVELOPMENT CORPORATION.**

In further consideration of the DDI payment obligation of **CITY**, **PRATT** will immediately become an investor in **GBEDC**. As an investor, **PRATT** will be expected to promptly pay annual investment dues to **GBEDC**. Said dues are set on an annual calendar year basis and, with respect to **PRATT**, shall not exceed \$2,000 per year. Said dues are payable on an annual basis. For the first year of this Agreement, **PRATT** shall pay a prorated amount reflecting the number of months from the month of closing through December. Said first annual pro rata payment shall be due thirty (30) days from the date of closing or such other later date as determined by **GBEDC**. **PRATT's** obligation to pay such dues shall continue through the final calendar year during which **PRATT** is entitled to receive DDI payments.

17. **WATER AND WASTEWATER.** **CITY** owns and operates the Beloit Water Utility that serves the Project Site with a current combined capacity of 24 million gallons a day. **CITY** warrants that it has adequate capacity to meet the required water utility needs of **PRATT**. **CITY** owns and operates an advanced sludge wastewater facility that serves the Project Site with a current excess capacity of 22.4 million gallons a day. **CITY** warrants that it has adequate capacity to meet the required wastewater utility needs of **PRATT**. **CITY** shall continuously provide water and wastewater service to the Project Site in a manner to conform to all regulations of the Wisconsin Department of Natural Resources, the United States

Environmental Protection Agency and any other governmental agency having jurisdiction over water distribution and wastewater collection and transmission facilities and services of **CITY**. **CITY** agrees that it will provide water to the Project Site with the minimum flow and pressure of 1,500 GPM at 88 PSF and 93 PSI static pressure, with 2,300 GPM flow capacity for fire suppression purposes. **CITY** has provided Pratt with water flow information on December 11, 2014, a copy of which is attached hereto and marked as Exhibit G. **CITY** further agrees to reserve for Pratt without charge for such reservation 750,000 gallons of water capacity per month and 240,000 per month of wastewater discharge capacity. Notwithstanding anything herein to the contrary, **CITY** shall not be responsible for any delays in connections, commencement of service or interruptions of service due to fires, casualties, accidents, power failures, maintenance work, breakdowns, damage to equipment or facilities, civil or military authority, strikes, war, riot, unusual weather conditions, judgments of any court, Act of God, and any such delay in connection or commencement of service. Interruption of service shall not constitute a breach of this Agreement nor impose any liability upon the **CITY**.

18. **NOISE.** **PRATT** acknowledges there is a city ordinance that prohibits, among other things, the use of any hammer, power operated tool, power driven lawn or garden maintenance equipment between the hours of 10:00 p.m. and 7:00 a.m. **PRATT** is proposing to conduct construction activities between the hours of 10:00 p.m. and 7:00 a.m. during the construction phase of the development. **CITY** hereby exempts the construction activities from enforcement action under section 15.12 of the Code of General Ordinances for the City of Beloit for a period of time not to exceed one hundred twenty (120) days under the following conditions:

a. **PRATT** shall provide a minimum of twenty-four (24) hours' notice to **CITY** and to the adjoining property owners of intended construction after 10:00 p.m. and before 7:00 a.m.

b. **PRATT** shall endeavor to mitigate construction noise as much as reasonably possible for construction activities between 10:00 p.m. and 7:00 a.m.

c. **PRATT** shall hold **CITY** harmless from and against all liability, claims for damages, and suits for or by reason of any injury to any person or damages to any property of the parties hereto or of any third person for any and all cause or causes whatsoever or in any way connected with noise generated from said construction activities or any act or omission or thing in any manner related to noise generated from said construction activities and operations irrespective of negligence, actual or claimed, upon the part of the **CITY** and its agents or employees.

d. **PRATT** shall comply in all material respects with the noise regulations and standards provided in §8-801 of Chapter 19, the Zoning Ordinance of the City of Beloit, Wisconsin.

19. RECORDABLE DOCUMENT. This Agreement may be recorded with the Register of Deeds for Rock County, Wisconsin.

20. REPRESENTATIONS AND WARRANTIES OF PRATT.

a. Pratt Properties II, LLC, a Delaware limited liability company represents and warrants to **CITY** that it is:

(1) An organization duly organized and existing under the laws of the State of Delaware;

- (2) Authorized to do business in the State of Wisconsin; and
- (3) In good standing in both states.

b. At the time of the execution of this Agreement, **PRATT** agrees to provide **CITY** with a certified copy of a corporate resolution authorizing the person(s) designated as a signatory below to execute this Agreement on behalf of **PRATT**.

c. **PRATT** represents and warrants to **CITY** that the execution and delivery of this Agreement, the consummation of the transactions contemplated in this Agreement, and the execution and delivery of the documents required by **PRATT** in connection therewith will not violate any provision of **PRATT**'s articles of incorporation, bylaws, contractual obligations with others, including lenders, or any applicable local, state, or federal law.

d. **PRATT** shall cooperate, execute, and deliver any documents reasonably required by the title insurance provider, including, but not limited to, corporate resolutions or evidence of authority as may be required by the title insurance provider, provided that the title insurance provider has entered into an agreement with **PRATT** not to disclose any corporate resolutions or evidence of authority (other than those that are public records) to any party. **PRATT** agrees that **GBEDC** or **CITY** may provide any such documents in its possession to the title provider so long as the title provider has entered into the nondisclosure agreement referred to in the previous paragraph.

21. **AFFIRMATIVE ACTION.** **PRATT** represents and warrants that it will adopt an affirmative action plan to increase its partners, associates, and employees members of under-

represented groups in all of its departments, job classifications, and salary categories in compliance with applicable Federal and State guidelines. This provision is inserted herein in compliance with Section 1.09 of the Code of General Ordinances of the City of Beloit, and shall be interpreted so as to carry out the intent of that ordinance.

22. **NONDISCRIMINATION.** **PRATT** shall not discriminate against any qualified employee or qualified applicant for employment because of race, color, national origin, ancestry, religion, age, marital status, disability, sex, or sexual orientation. In the event any portion of this Agreement is subcontracted by **PRATT**, **PRATT** shall include in such subcontract, a provision prohibiting the subcontractor from discriminating against any qualified employee or qualified applicant for employment because of race, color, national origin, ancestry, religion, age, marital status, disability, sex, or sexual orientation. This provision is inserted herein in compliance with section 1.09 of the Code of General Ordinances of the City of Beloit, and shall be interpreted so as to carry out the intent of said ordinance.

23. **INSURANCE.**

a. **PRATT** will provide and maintain or cause to be maintained, at its own cost or expense, at all times during the construction of the Private Improvements, builder's risk insurance in the amount equal to one hundred percent (100%) of the insurable value of the Private Improvements at the date of completion.

b. Upon completion of construction of the Private Improvements and prior to the termination of this Agreement, **PRATT** shall maintain or cause to be maintained, at its own cost or expense, insurance against loss and/or damage to the Private Improvements under a policy or policies covering such risks as are ordinarily insured

against similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount of not less than the full insurable replacement value of the Private Improvements. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required herein, by reason of co-insurance provisions or otherwise, without the prior written consent by **CITY**.

c. All insurance required pursuant to this Agreement shall be in force and maintained with responsible insurance companies selected by **PRATT** which are authorized under the laws of the State of Wisconsin to assume the risks covered thereby. At the request of **CITY**, **PRATT** will provide copies of policies evidencing all such insurance or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to **PRATT** at least thirty (30) days before cancellation or modification becomes effective.

d. Until the termination of this Agreement, if the Private Improvements or any portion thereof are destroyed or damaged, **PRATT** shall forthwith repair, reconstruct and restore the Private Improvements to substantially the same scale and condition, quality and value as existed prior to the event causing damage or destruction, to the extent allowed by available insurance proceeds.

24. **APPLICABLE LAW AND JURISDICTION.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, and the Parties agree that Rock County, Wisconsin, shall have jurisdiction to handle any litigation between the Parties.

25. **SEVERABILITY.** If any provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the Parties regarding this project. All prior negotiations and discussions have been merged into this Agreement.

27. **AMENDMENTS.** No amendment to this Agreement shall be binding upon any party hereto until such amendment is reduced to writing and executed by the Parties.

28. **AUTHORITY.** Each person signing this Agreement represents that he or she is authorized by his or her organization to execute this Agreement on behalf of that organization.

29. **FORCE MAJEURE.** No party shall be responsible to the other party for any losses if the fulfillment of any term of this Agreement is delayed or prevented by civil disorders, wars, strikes, floods, fires, acts of God, or by any other cause not within the reasonable control of the party whose performance was interfered with and which, by the exercise of reasonable diligence, such party is unable to prevent, whether or not of the class of causes enumerated above, and the time for performance shall be extended for the period of delay occasioned by any such cause.

30. **ASSIGNMENT.** PRATT may not assign its interest in this Agreement to a third party without the prior written consent of CITY which consent shall not be unreasonably

withheld, conditioned or delayed. Notwithstanding the foregoing, however, **PRATT** may assign this Agreement in whole or in part to an Affiliate.

31. **INDEMNIFICATION.** Each party hereby agrees to defend and hold the other Parties, their officers, agents and employees harmless from any liability for any claims, including reasonable attorney's fees, arising out of its acts or omissions or the acts or omissions of its officers, agents and employees.

32. **NO PARTNERSHIP CREATED.** This Agreement does not create any partnership or joint venture between the Parties hereto, or render any party liable, for any of the debts or obligations of the other party. **CITY** or **GBEDC** shall have no obligation or liability to any lending institution, architect, contractor, subcontractor, or other party retained by **PRATT** to assist **PRATT** in the performance of its obligations under the terms and conditions of this Agreement. **PRATT** specifically agrees that no representation shall be made by **PRATT** to any third party that **PRATT**, **GBEDC** and/or **CITY** are partners or joint venturers.

33. **HEADINGS.** The headings set forth in this Agreement are for convenience and reference only and do not define or limit the scope or content of this Agreement or affect any of its provisions.

34. **DEFAULT AND NOTICE OF DEFAULT.** In the event any party fails to comply with or perform any of the covenants, agreements and obligations to be performed by that party under the terms and provisions of this Agreement, the other party shall be entitled to pursue any and all remedies available at law or in equity including, without limitation, a suit for specific performance of this Agreement. Any party seeking to enforce its rights hereunder may do so only after giving advance written notice to the other party reasonably identifying the alleged

breach and giving the breaching party thirty (30) days in which to cure the alleged breach, unless the cure cannot reasonably be completed within said thirty (30) day period, at which time the cure period will be extended by a reasonable time necessary for said cure.

35. **NOTICES:** Notices to the Parties to this Agreement shall be as follows:

To **CITY:** City of Beloit
Attention: City Manager
100 State Street
Beloit, WI 53511

with a copy to: City of Beloit
Attention: City Attorney
100 State Street
Beloit, WI 53511

To **GBEDC:** The Greater Beloit Economic Development Corporation
Attention: Executive Director
500 Public Avenue
Beloit, WI 53511

To **PRATT:** Pratt Industries, Inc.
1800-C Sarasota Parkway
Conyers, GA 30013
Attention: Treasurer
Telephone: (770) 761-4600

with a copy to: Pratt Industries, Inc.
3535 Piedmont Road, Building 14, Suite 440
Atlanta, GA 30305
Attention: Douglas R. Balyeat, CPA, Esq.
General Counsel
Telephone No.: (678) 904-4168
Facsimile No.: (770) 206-2293

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in its name and behalf on or as of the date first written above.

CITY OF BELOIT

PRATT INDUSTRIES, INC.

By: _____
Larry N. Arft, City Manager

By: _____

ATTEST:

By: _____
Rebecca Houseman LeMire, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Elizabeth A. Krueger, City Attorney

I hereby certify that there are sufficient funds available to pay the liability incurred by the City of Beloit pursuant to this Agreement.

THE GREATER BELOIT ECONOMIC DEVELOPMENT CORPORATION

By: _____
Eric R. Miller, City Comptroller

By: _____
Jeffrey W. Klett, Chair

Attest: _____
Andrew Janke, Executive Director

STATE OF WISCONSIN)
)SS
COUNTY OF ROCK)

Personally appeared before me this 22nd day of December, 2014, the above-named Larry N. Arft, City Manager and Rebecca Houseman LeMire, City Clerk, to me known to be such City Manager and Clerk of the City of Beloit, and to me known to be the persons who executed the foregoing agreement as such officers of said entity, by its authority.

Elizabeth A. Krueger
Notary Public, Rock County, Wisconsin
My commission is permanent.

STATE OF WISCONSIN)
)SS
COUNTY OF ROCK)

Personally appeared before me this 22nd day of December, 2014, the above-named Jeffrey W. Klett, Chair and Andrew Janke, Executive Director, to me known to be such Chair and Executive Director for the GBEDC, and to me known to be the persons who executed the foregoing agreement as such officers of said entity, by its authority.

Elizabeth A. Krueger
Notary Public, Rock County, Wisconsin
My commission is permanent.

STATE OF _____)
)SS
COUNTY OF _____)

Personally came before me this _____ day of _____, 2014, the above-named _____, _____, to me known to be such _____ of Pratt Industries, Inc. and to me known to be the person who executed the foregoing agreement as such officer of said entity, by its authority.

Notary Public, _____ County, _____
My Commission is permanent. If not, state
expiration date: _____

tdh/Files/14-1208/Dev Agr=141219

WB-13 VACANT LAND OFFER TO PURCHASE

ATTORNEY
1 ~~LICENSEE~~ DRAFTING THIS OFFER ON December 17, 2014 [DATE] IS ~~(AGENT OF BUYER)~~

2 ~~(AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER)~~ ~~STRIKE THOSE NOT APPLICABLE~~

3 **GENERAL PROVISIONS** The Buyer, Pratt Properties II, LLC, a Delaware limited liability company

4 _____, offers to purchase the Property

5 known as [Street Address] 1901 Gateway Boulevard

6 in the _____ City of _____ Beloit _____, County of _____ Rock _____, Wisconsin (Insert

7 additional description, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525), on the following terms:

8 ■ PURCHASE PRICE: One Dollar and 00/100

9 _____ Dollars (\$ _____ 1.00 _____).

10 ■ EARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ _____

11 will be mailed, or commercially or personally delivered within _____ days of acceptance to listing broker or

12 _____.

13 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.

14 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the

15 date of this Offer not excluded at lines 18-19, and the following additional items: _____

16 _____

17 _____

18 ■ NOT INCLUDED IN PURCHASE PRICE: _____

19 _____

20 CAUTION: Identify Fixtures that are on the Property (see lines 290-294) to be excluded by Seller or which are rented

21 and will continue to be owned by the lessor.

22 NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are

23 included/excluded. Annual crops are not part of the purchase price unless otherwise agreed.

24 ■ ZONING: Seller represents that the Property is zoned: _____ M-2 _____.

25 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical

26 copies of the Offer.

27 CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines

28 running from acceptance provide adequate time for both binding acceptance and performance.

29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on

30 or before _____ December 31, 2014 _____ Seller may keep the Property on the

31 market and accept secondary offers after binding acceptance of this Offer.

32 CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.

33 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX () ARE PART OF THIS

34 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"

35 OR ARE LEFT BLANK.

36 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and

37 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 38-56.

38 (1) **Personal Delivery**: giving the document or written notice personally to the Party, or the Party's recipient for delivery if

39 named at line 40 or 41.

40 Seller's recipient for delivery (optional): _____ Elizabeth A. Krueger, City Attorney

41 Buyer's recipient for delivery (optional): _____ Attorney Gino Galluzzo, Hinshaw & Culbertson LLP

42 (2) **Fax**: fax transmission of the document or written notice to the following telephone number:

43 Seller: (608) _____ 364-6718 Buyer: (815) _____ 490-4901

44 (3) **Commercial Delivery**: depositing the document or written notice fees prepaid or charged to an account with a

45 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 40 or 41, for

46 delivery to the Party's delivery address at line 49 or 50.

47 (4) **U.S. Mail**: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,

48 or to the Party's recipient for delivery if named at line 40 or 41, for delivery to the Party's delivery address at line 49 or 50.

49 Delivery address for Seller: _____ City Attorney's Office, 100 State Street, Beloit, WI 53511

50 Delivery address for Buyer: _____ Hinshaw and Culbertson LLP, 100 Park Avenue, P.O. Box 1389, Rockford, IL 61105-1389

51 (5) **E-Mail**: electronically transmitting the document or written notice to the Party's e-mail address, if given below at line

52 55 or 56. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for

53 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically

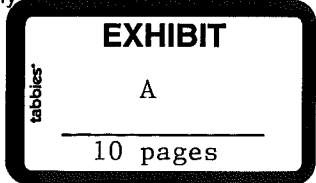
54 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

55 E-Mail address for Seller (optional): _____ kruegere@beloitwi.gov

56 E-Mail address for Buyer (optional): _____ GGalluzzo@hinshawculbertson.com

57 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller

58 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.



59 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
60 Offer at lines 458-464 or 526-534 or in an addendum attached per line 525. At time of Buyer's occupancy, Property shall be
61 free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left
62 with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

63 ~~**PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
64 notice or knowledge of Conditions Affecting the Property or Transaction (see lines 163-187 and 246-278) other than those
65 identified in the Seller's disclosure report dated _____, which was received by Buyer prior to
66 Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**
67 and _____~~

68 _____
69 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

70 **CLOSING** This transaction is to be closed no later than _____ January 31, 2015
71 _____ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

72 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
73 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association
74 assessments, fuel and _____.

75 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

76 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

77 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

78 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
79 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
80 APPLIES IF NO BOX IS CHECKED)

81 Current assessment times current mill rate (current means as of the date of closing)

82 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
83 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

84 _____

85 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be
86 substantially different than the amount used for proration especially in transactions involving new construction,
87 extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor
88 regarding possible tax changes.**

89 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
90 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5
91 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
92 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
93 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

94 ~~**LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
95 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
96 (written) (oral) **STRIKE ONE** lease(s), if any, are _____~~

97 _____ Insert additional terms, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525.

98 **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within _____ days of acceptance of this Offer, a list of all
99 federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions,
100 or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland
101 preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve
102 Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any
103 penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be
104 deemed satisfied unless Buyer delivers to Seller, within seven (7) days of Buyer's Actual Receipt of said list and disclosure, or
105 the deadline for delivery, whichever is earlier, a notice terminating this Offer based upon the use restrictions, program
106 requirements, and/or amount of any penalty, fee, charge, or payback obligation.

107 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs,
108 as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller
109 incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The
110 Parties agree this provision survives closing.**

111 **MANAGED FOREST LAND:** All, or part, of the Property is managed forest land under the Managed Forest Law (MFL).
112 This designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that
113 encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as
114 managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the
115 new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources
116 and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules.
117 The DNR Division of Forestry monitors forest management plan compliance. Changes you make to property that is subject to
118 an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause
119 the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the
120 local DNR forester or visit <http://www.dnr.state.wi.us>.

121 **FENCES:** Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares
 122 where one or both of the properties is used and occupied for farming or grazing purposes.

123 **CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and**
 124 **occupied for farming or grazing purposes.**

125 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that would be
 126 generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a
 127 non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more
 128 information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization
 129 Section or visit <http://www.revenue.wi.gov/>.

130 **FARMLAND PRESERVATION:** Rezoning a property zoned farmland preservation to another use or the early termination of a
 131 farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to
 132 3 times the class 1 "use value" of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection
 133 Division of Agricultural Resource Management or visit <http://www.datcp.state.wi.us/> for more information.

134 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S. Department
 135 of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective
 136 cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent plus one-half of the cost of
 137 establishing permanent ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more
 138 information call the state Farm Service Agency office or visit <http://www.fsa.usda.gov/>.

139 **SHORELAND ZONING ORDINANCES:** All counties must adopt shoreland zoning ordinances that meet or are more
 140 restrictive than Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land
 141 within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum
 142 standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface
 143 standards (that may be exceeded only if a mitigation plan is adopted) and repairs to nonconforming structures. Buyers must
 144 conform to any existing mitigation plans. For more information call the county zoning office or visit <http://www.dnr.state.wi.us/>.

145 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning restrictions, if any.
 146 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 147 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 148 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 149 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

150 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 151 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 152 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 153 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 154 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
 155 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 156 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 157 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 158 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 159 be held in trust for the sole purpose of restoring the Property.

160 **DEFINITIONS**

161 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or
 162 written notice physically in the Party's possession, regardless of the method of delivery.

163 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 164 defined to include:

- 165 a. Proposed, planned or commenced public improvements or public construction projects which may result in special
 166 assessments or otherwise materially affect the Property or the present use of the Property.
- 167 b. Government agency or court order requiring repair, alteration or correction of any existing condition.
- 168 c. Land division or subdivision for which required state or local approvals were not obtained.
- 169 d. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 170 e. A portion of the Property being subject to, or in violation of, a farmland preservation agreement or in a certified farmland
 171 preservation zoning district (see lines 130-133), or enrolled in, or in violation of, a Forest Crop, Managed Forest (see lines
 172 111-120), Conservation Reserve (see lines 134-138), or comparable program.
- 173 f. Boundary or lot disputes, encroachments or encumbrances, a joint driveway or violation of fence laws (Wis. Stat. ch. 90)
 174 (where one or both of the properties is used and occupied for farming or grazing).
- 175 g. Material violations of environmental rules or other rules or agreements regulating the use of the Property.
- 176 h. Conditions constituting a significant health risk or safety hazard for occupants of the Property.
- 177 i. Underground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,
 178 including, but not limited to, gasoline and heating oil.
- 179 j. A Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, pesticides, herbicides,
 180 fertilizer, radon, radium in water supplies, lead or arsenic in soil, or other potentially hazardous or toxic substances on the
 181 premises.
- 182 k. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 183 l. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 184 Property.
- 185 m. Defects in any well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-
 186 service wells and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned
 187 according to applicable regulations.

188 **(Definitions Continued on page 5)**

IF LINE 190 IS NOT MARKED OR IS MARKED N/A, LINES 230-236 APPLY.

189
190 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written _____
191 _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage
192 loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an
193 amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years.
194 Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may
195 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance
196 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination
197 fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed amount,
198 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the
199 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 201 or 202.

200
201 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.
202 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest
203 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per
204 year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal
205 and interest may be adjusted to reflect interest changes.

206 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 458-464 or
207 526-534 or in an addendum attached per line 525.

208 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a
209 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described
210 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no
211 later than the deadline at line 192. **Buyer and Seller agree that delivery of a copy of any written loan commitment to
212 Seller (even if subject to conditions) shall satisfy the Buyer's financing contingency if, after review of the loan
213 commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall
214 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of
215 unacceptability.**

216 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide
217 the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN
218 COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS
219 ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

220 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this
221 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan
222 commitment.

223 ■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already
224 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of
225 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is
226 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this
227 transaction on the same terms set forth in this Offer and this Offer shall remain in full force and effect, with the time for closing
228 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain
229 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

230 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party
231 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,
232 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering
233 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing
234 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands
235 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an
236 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

237 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised
238 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated
239 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon
240 purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to
241 Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon
242 purchase price, accompanied by a written notice of termination.

243 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether
244 deadlines provide adequate time for performance.**

245 **DEFINITIONS CONTINUED FROM PAGE 3**

- 246 n. Defects in any septic system or other sanitary disposal system on the Property or out-of-service septic systems not
247 closed/abandoned according to applicable regulations.
- 248 o. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface
249 foundations or waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic
250 or hazardous materials or containers for these materials were disposed of in violation of manufacturer's or government
251 guidelines or other laws regulating said disposal; high groundwater; adverse soil conditions (e.g. low load bearing
252 capacity, earth or soil movement, slides) or excessive rocks or rock formations.
- 253 p. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other
254 contaminated land, or soils contamination remediated under PECFA, the Department of Natural Resources (DNR)
255 Remediation and Redevelopment Program, the Agricultural Chemical Cleanup Program or other similar program.
- 256 q. Lack of legal vehicular access to the Property from public roads.
- 257 r. Homeowners' associations, common areas shared or co-owned with others, zoning violations or nonconforming uses,
258 conservation easements, restrictive covenants, rights-of-way, easements, easement maintenance agreements, or use of
259 a part of Property by non-owners, other than recorded utility easements.
- 260 s. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to
261 impose assessments against the real property located within the district.
- 262 t. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- 263 u. Property tax increases, other than normal annual increases; completed or pending property tax reassessment of the
264 Property, or proposed or pending special assessments.
- 265 v. Burial sites, archeological artifacts, mineral rights, orchards or endangered species.
- 266 w. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 267 x. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 268 y. Significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- 269 z. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial
270 injuries or disease in livestock on the Property or neighboring properties.
- 271 aa. Existing or abandoned manure storage facilities on the Property.
- 272 bb. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of
273 the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 274 cc. The Property is subject to a mitigation plan required by DNR rules related to county shoreland zoning ordinances that
275 obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county
276 (see lines 139-145).
- 277 dd. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion
278 charge or the payment of a use-value conversion charge has been deferred.
- 279 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
280 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
281 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
282 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
283 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
284 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
285 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
286 closing, expire at midnight of that day.
- 287 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
288 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
289 significantly shorten or adversely affect the expected normal life of the premises.
- 290 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land so as to be
291 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage
292 to the premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited
293 to, all: perennial crops; garden bulbs; plants; shrubs and trees and fences; storage buildings on permanent foundations and
294 docks/piers on permanent foundations.
- 295 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented on lines 18-19.**
- 296 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

297 **PROPERTY DEVELOPMENT WARNING**

298 If Buyer contemplates developing Property for a use other than the current use,
299 there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and
300 zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or
301 uses and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals,
302 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits,
303 subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of
304 development of, or a particular use for, a property. Optional contingencies which allow Buyer to investigate certain of these
305 issues can be found at lines 306-350 and Buyer may add contingencies as needed in addenda (see line 525). Buyer should
review any plans for development or use changes to determine what issues should be addressed in these contingencies.

306 **PROPOSED USE CONTINGENCIES:** Buyer is purchasing the Property for the purpose of: _____
307 _____
308 _____

309 [insert proposed use and type and size of building, if applicable; e.g. three bedroom single family home]. The optional
310 provisions checked on lines 314-345 shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers
311 written notice to Seller specifying those items which cannot be satisfied and written evidence substantiating why each specific
312 item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller
313 agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 314-350.

314 **ZONING CLASSIFICATION CONFIRMATION:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's)
315 **STRIKE ONE** ("Buyer's" if neither is stricken) expense, verification that the Property is zoned _____
316 _____ and that the Property's zoning allows the Buyer's proposed use described at lines 306-308.

317 **SUBSOILS:** This offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither
318 is stricken) expense, written evidence from a qualified soils expert that the Property is free of any subsoil condition which
319 would make the proposed use described at lines 306-308 impossible or significantly increase the costs of such
320 development.

321 **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** This Offer is contingent
322 upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither is stricken) expense, written evidence from
323 a certified soils tester that (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must
324 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the
325 Property as stated on lines 306-308. The POWTS (septic system) allowed by the written evidence must be one of
326 the following POWTS that is approved by the State for use with the type of property identified at lines 306-308 **CHECK**
327 **ALL THAT APPLY:** conventional in-ground; mound; at grade; in-ground pressure distribution; holding tank;
328 other: _____

329 **EASEMENTS AND RESTRICTIONS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE**
330 **ONE** ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and restrictions
331 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or
332 significantly delay or increase the costs of the proposed use or development identified at lines 306-308.

333 **APPROVALS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if
334 neither is stricken) expense, permits, approvals and licenses, as appropriate, or the final discretionary action by the
335 granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's
336 proposed use: _____
337 _____

338 **UTILITIES:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither
339 is stricken) expense, written verification of the following utility connections at the listed locations (e.g., on the Property, at
340 the lot line, across the street, etc.) **CHECK AND COMPLETE AS APPLICABLE:** electricity _____;
341 gas _____; sewer _____; water _____;
342 telephone _____; cable _____; other _____

343 **ACCESS TO PROPERTY:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE**
344 ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public
345 roads.

346 **LAND USE APPROVAL:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if
347 neither is stricken) expense, a rezoning; conditional use permit; license; variance; building permit;
348 occupancy permit; other _____ **CHECK ALL THAT APPLY**, and delivering
349 written notice to Seller if the item cannot be obtained, all within _____ days of acceptance for the Property for its proposed
350 use described at lines 306-308.

351 **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) **STRIKE ONE** ("Seller
352 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a
353 registered land surveyor, within _____ days of acceptance, at (Buyer's) (Seller's) **STRIKE ONE** ("Seller's" if neither is stricken)
354 expense. The map shall show minimum of _____ acres, maximum of _____ acres, the legal description of the
355 Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,
356 if any, and: _____

357 **[STRIKE AND COMPLETE AS APPLICABLE]** Additional map features which may be added include, but are not limited to:
358 staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square
359 footage; easements or rights-of-way. **CAUTION: Consider the cost and the need for map features before selecting them.**
360 **Also consider the time required to obtain the map when setting the deadline.** This contingency shall be deemed satisfied
361 unless Buyer, within five days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for delivery of said map,
362 delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information
363 materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency.
364 Upon delivery of Buyer's notice, this Offer shall be null and void.

365 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land dimensions, total square footage, acreage
 366 figures, or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of
 367 rounding, formulas used or other reasons, unless verified by survey or other means.

368 **CAUTION: Buyer should verify land dimensions, total square footage/acreage figures and allocation of acreage**
 369 **information if material to Buyer's decision to purchase.**

370 **EARNEST MONEY**

374 ~~■ HELD BY: Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker
 372 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or
 373 otherwise disbursed as provided in the Offer.~~

374 ~~**CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**
 375 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**
 376 **disbursement agreement.**~~

377 ~~■ DISBURSEMENT: If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after
 378 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.
 379 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest
 380 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said
 381 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse
 382 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
 383 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4)
 384 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an
 385 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to
 386 exceed \$250, prior to disbursement.~~

387 ~~■ LEGAL RIGHTS/ACTION: Broker's disbursement of earnest money does not determine the legal rights of the Parties in
 388 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to
 389 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or
 390 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.
 391 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4
 392 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their
 393 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
 394 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing
 395 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.~~

396 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the
 397 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as
 398 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple
 399 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information
 400 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers
 401 researching comparable sales, market conditions and listings, upon inquiry.

402 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
 403 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
 404 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

405 **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery
406 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior
407 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.
408 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice
409 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days after acceptance of this Offer. All
410 other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

411 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
412 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this
413 Offer except: _____

414 If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of
415 contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the
416 date or Deadline is allowed before a breach occurs.

417 **TITLE EVIDENCE**

418 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
419 (or trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
420 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
421 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
422 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report and
423 in this Offer, general taxes levied in the year of closing and _____

424 _____
425 _____
426 _____

427 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
428 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

429 ■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the
430 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. ~~Seller shall pay all~~
431 ~~costs of providing title evidence to Buyer.~~ Buyer shall pay all costs of providing title evidence required by Buyer's lender.

432 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at ~~(Seller's)~~ (Buyer's) **STRIKE**
433 **ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the
434 effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
435 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
436 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 442-449).

437 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
438 insurance commitment is delivered to Buyer's attorney or Buyer not more than _____ days after acceptance ("15" if left blank),
439 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per
440 lines 418-427, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements
441 and exceptions, as appropriate.

442 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
443 objections to title within _____ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In
444 such event, Seller shall have a reasonable time, but not exceeding _____ days ("5" if left blank) from Buyer's delivery of the
445 notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for
446 closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the
447 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver
448 written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not
449 extinguish Seller's obligations to give merchantable title to Buyer.

450 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, levied or for work actually commenced prior to the date of this
451 Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.

452 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special**
453 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**
454 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**
455 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**
456 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**
457 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

458 **ADDITIONAL PROVISIONS/CONTINGENCIES**

459 _____
460 _____
461 _____
462 _____
463 _____
464 _____

465 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and
466 conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the
467 defaulting party to liability for damages or other legal remedies.

468 If **Buyer defaults**, Seller may:

- 469 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
470 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for
471 actual damages.

472 If **Seller defaults**, Buyer may:

- 473 (1) sue for specific performance; or
474 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

475 In addition, the Parties may seek any other remedies available in law or equity.

476 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
477 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution
478 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of
479 law those disputes covered by the arbitration agreement.

480 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**
481 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS**
482 **OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL**
483 **RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE**
484 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

485 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller
486 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and
487 inures to the benefit of the Parties to this Offer and their successors in interest.

488 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of
489 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the
490 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,
491 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building
492 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,
493 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in
494 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's
495 authorization for inspections does not authorize Buyer to conduct testing of the Property.

496 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**
497 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**
498 **material terms of the contingency.**

499 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
500 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.
501 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported
502 to the Wisconsin Department of Natural Resources.

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____

507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 **RIGHT TO CURE:** Seller (shall)(~~shall not~~) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES**

- 527 1. Preclosing access to the property shall be permitted as provided in the Development Agreement between the parties.
- 528 2. Seller shall pay all costs of providing evidence of title and all closing costs and fees.
- 529 3. Closing shall take place at Brabazon Title Company located at 2225 Cranston Road, Beloit, Wisconsin.

530 _____
531 _____
532 _____
533 _____
534 _____

535 This Offer was drafted by [~~Licensee and Firm~~] _____ Elizabeth A. Krueger, City Attorney, 100 State Street, Beloit, WI 53511

536 _____ on _____ December 7, 2014

537 (x) _____
538 Buyer's Signature ▲ Print Name Here▶ _____ Date ▲ _____

539 (x) _____
540 Buyer's Signature ▲ Print Name Here▶ _____ Date ▲ _____

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
542 _____ Broker (by) _____

543 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER
544 SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON
545 THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

546 (x) _____
547 Seller's Signature ▲ Print Name Here▶ City of Beloit by Larry N. Arft, City Manager _____ Date ▲ _____

548 (x) _____
549 Seller's Signature ▲ Print Name Here▶ _____ Date ▲ _____

550 This Offer was presented to Seller by [Licensee and Firm] _____
551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____
553 Seller Initials ▲ Date ▲ _____ Seller Initials ▲ Date ▲ _____

ALTA/ACSM LAND TITLE SURVEY

Of Part of the East 1/2 of Section 21, Town 1 North, Range 13 East of the 4th P.M., City of Beloit, Rock County, Wisconsin.

The following Legal Description of Record as Contained within a Government for Title Insurance provided to the Depositor by Insurance Title Company, Inc. as Subcontract Agent for First American Title Insurance Company, Amended Commitment Number 1493524 Dated October 15, 2014, 7 58am

SCHEDULE C Legal Description

Part of the East 1/2 of Section 21, Town 1 North, Range 13 East of the 4th P.M., City of Beloit, Rock County, Wisconsin, beginning at a point in the East line of Section 21, 436.45 feet South of the East 1/4 corner of said section; thence continuing South along South 43° 43' 20" West 308.00 feet; thence South 43° 43' 20" West 7.46 feet; thence South 43° 43' 20" West 308.00 feet to the South line of Section 21, 436.45 feet; thence South 43° 43' 20" West 308.00 feet to the South R.O.W. line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence North 54° 59' 33" East along said R.O.W. line 1401.67 feet; thence East 501.49 feet to the place of beginning, Reserving therefrom the East 33.00 feet in equal width for road purposes.

EXCEPTING THEREFROM, Land conveyed for road purposes pursuant to Award of Damages, recorded June 10, 2009, as Document #1866280, as to Parcel #17 of Transportation Project #14 5989-01-21-4-02, recorded as Document #1846843, in Rock County, Wisconsin, and Amendment #1 of Transportation Plat #5989-01-21-4-02, recorded as Document #1863399, and Further Amendment, recorded May 29, 2009, as Document #1864931.

SCHEDULE B - SECTION II (pertaining to easements and encumbrances)

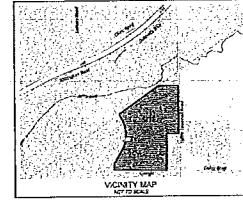
- ELECTRIC LINE EASEMENT, dated June 18, 1947, and recorded September 3, 1947 in Volume 37 of Misc., Page 11 as Document #483324, given by Fred Wallace and Mabel Wallace, to Wisconsin Power and Light Company.
- ELECTRIC LINE EASEMENT, dated June 27, 1947, and recorded September 3, 1947 in Volume 36 of Misc., Page 434 as Document #481311, given by Frank Johnson and Elizabeth Johnson, to Wisconsin Power and Light Company.
- EASEMENT ASSIGNMENT, dated December 7, 2000, and recorded January 9, 2001, as Document #1473803, by and between Wisconsin Power and Light Company, a Wisconsin Corporation, and American Transmission Company LLC, a Wisconsin Limited liability company.
- CONVEYANCE OF RIGHTS IN LAND, dated April 7, 2009, recorded May 14, 2009, as Document #1863317, given by Wisconsin Power and Light Company to the City of Beloit.
- Permanent Limited Easement, Restricted Development Easement and Temporary Limited Easement, as set out in an Award of Damages, by City of Beloit, Statute No. 62.22, dated June 10, 2009, recorded June 10, 2009 as Document #1866280.
Transportation Project Plat No: 5989-01-21-4-02, recorded November 19, 2008 as Document #1846847
Transportation Project Plat No: 5989-01-21-4-02 - 1AM, recorded May 19, 2009 as Document #1863399
Transportation Project Plat No: 5989-01-21-4-02 - 2AM, recorded May 29, 2008 as Document #1864931

NOTES CORRESPONDING TO TABLE A

- 2,452,820 SQ. FT. / 56,339 ACRES
- Current Zoning Classification: NOT PROVIDED BY THE INSURERS. Zoning reported by Andrew Janku, Economic Development Director for the City of Beloit, as M-2
- No buildings existing on the surveyed property
- Utility locate was performed as part of this survey.
Dig Safe Ticket No. 2014400933, 2014400937, 2014400938
- No evidence observed of recent construction or earth moving. Stryben crop was recently harvested.
- No proposed changes to street right-of-way per Mark Fleisch, City of Beloit Engineer.

SURVEYOR'S NOTES

- The Encroachment 33 feet is being used as part of South Turtle Townhall Road
- The encroachment herein was adopted on September 18, 2014 by Dave Meyer of the City of Beloit Wisconsin Counciling, LLC, City of Beloit Wisconsin
- Proposed path across onto parcel as dimensioned on face of map near north-westerly corner of parcel
- The occupant at 1870 Turtle Townhall Road is maintaining a portion of the subject parcel as stream parcel.



SURVEYOR'S CERTIFICATE

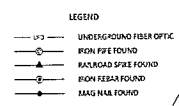
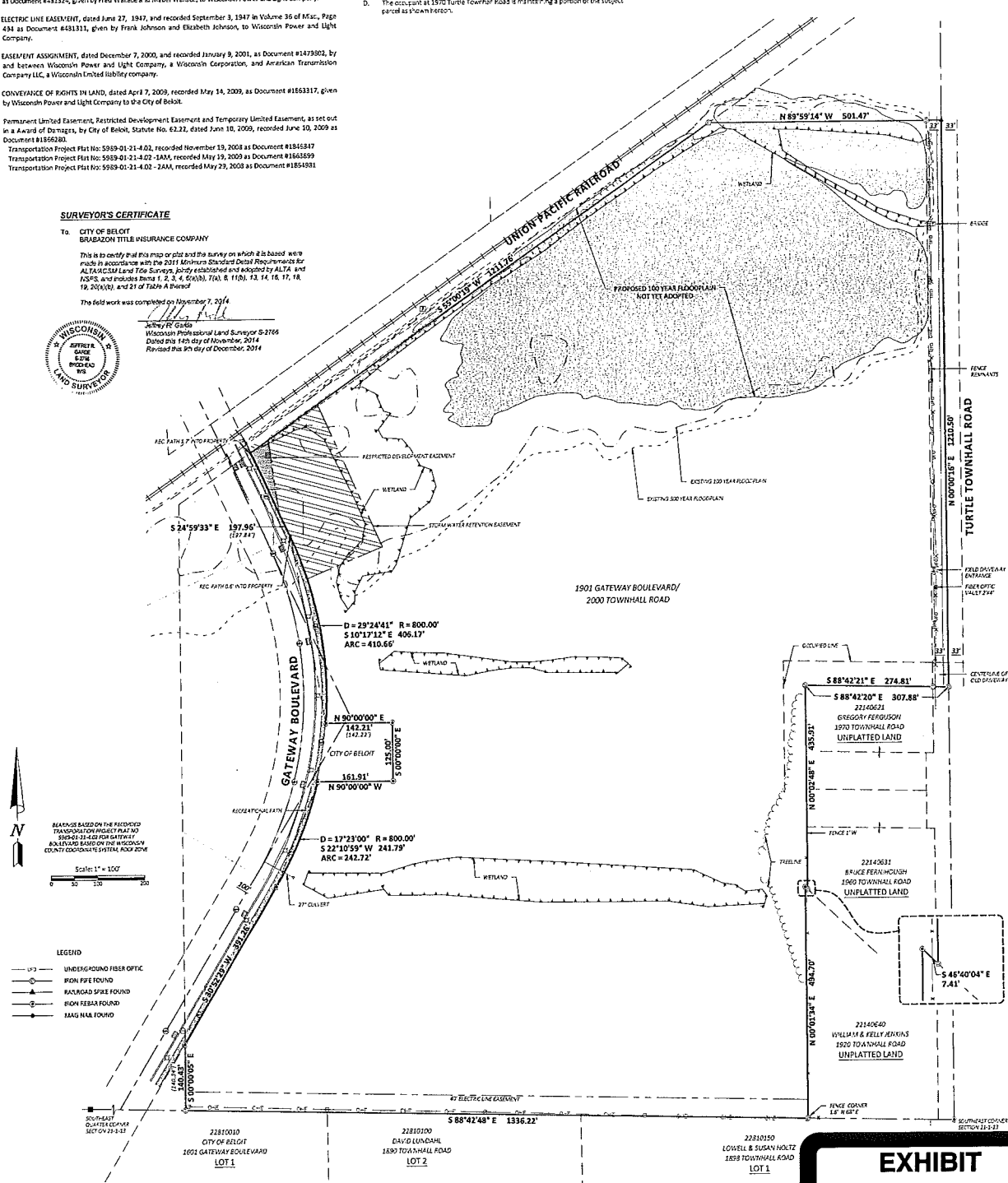
To: CITY OF БЕЛОИТ
INSURANCE TITLE INSURANCE COMPANY

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, as established and adopted by ALTA and NSPS, and include items 1, 2, 3, 4, 6, 6(B), 7(A), 8, 10(B), 12, 14, 15, 17, 18, 19, 20(A), and 21 of Table A thereof.

The field work was completed on November 7, 2014



Jeffrey R. Gude
Wisconsin Professional Land Surveyor S-2766
Dated this 14th day of November, 2014
Revised this 9th day of December, 2014

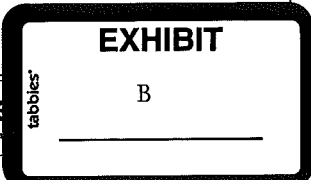


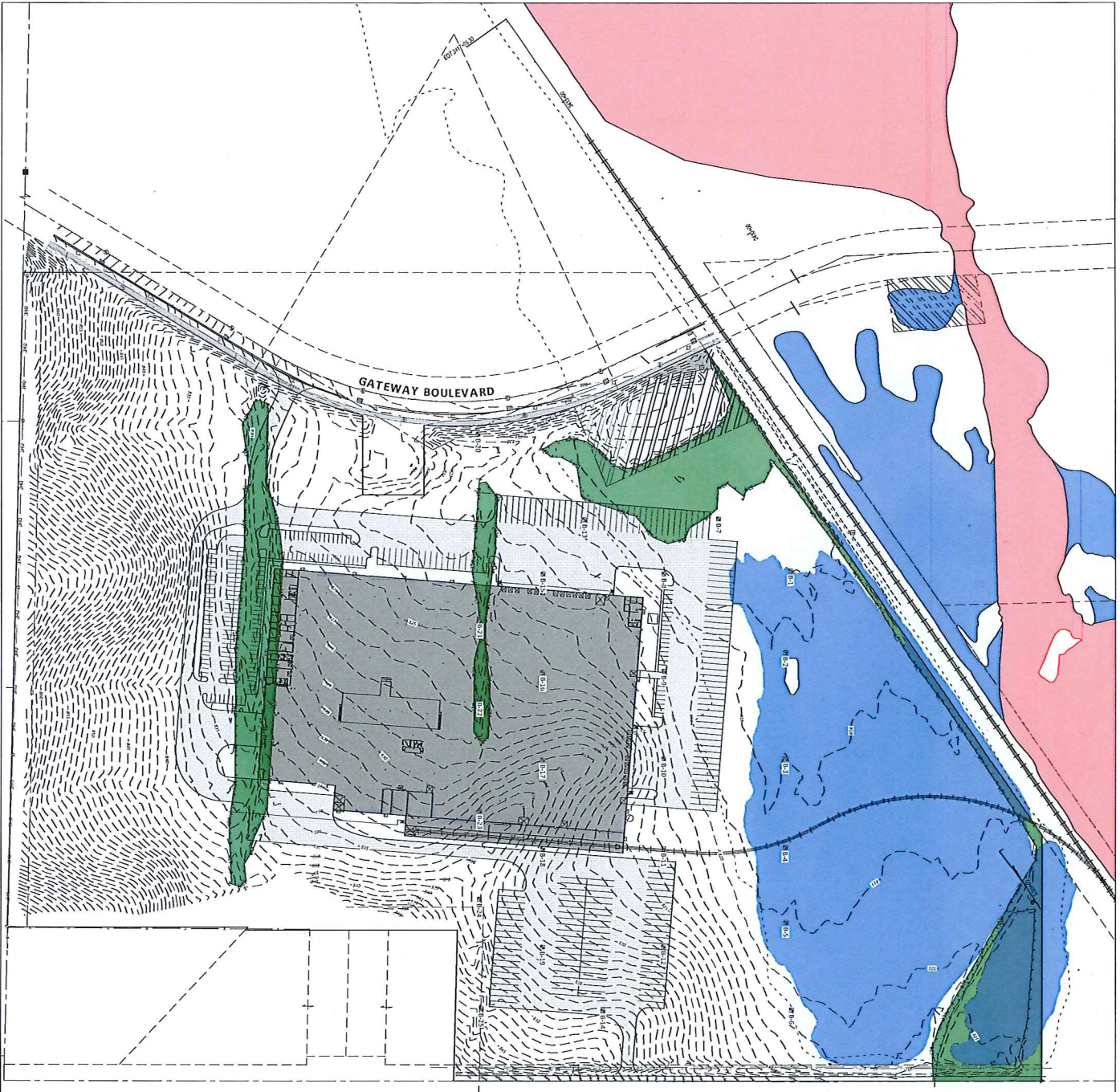
FOR THE EXCLUSIVE USE OF:
THE CITY OF БЕЛОИТ
1901 GATEWAY BOULEVARD
BELOIT, WI 53511

ORDER NO. 31597
BOOK SEE FILE
PROD. ON: JCT
DRAWN BY: JGCV
DATE: 12/14/14

ALTA/ACSM LAND TITLE SURVEY
FOR
THE CITY OF БЕЛОИТ
BELOIT, WISCONSIN

Batter
tabbles
engineers su





IN QUANT TO THE TOPOGRAPHY
 EXISTING FEATURES



EXHIBIT

C

REVISIONS			
NO.	DATE	BY	DESCRIPTION

MILLER-VALENTINE CONSTRUCTION
 GATEWAY BUSINESS PARK
 CITY OF BELoit
 ROCK COUNTY, WI

2550 Highway 52
 Beloit, WI 53511
 608.365.4454
 www.mvconstruction.com

Batterman

 engineers surveyors planners
 2157 Bankers Drive Beloit, WI 53511
 608.365.4464
 www.rhbatterman.com



SHEET NO.
R4

LAYOUT OPTION R4

THIS DOCUMENT IS THE PROPERTY OF MILLER-VALENTINE CONSTRUCTION, LLC, AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISCLOSED IN WHOLE OR IN PART WITHOUT THE PRIOR WRITTEN PERMISSION OF MILLER-VALENTINE CONSTRUCTION, LLC IN EACH INSTANCE.



Scott Walker
Governor

Reed E. Hall
Secretary and CEO

December 18, 2014

Gary Byrd
President
Pratt Industries, Inc.
1800 Sarasota Parkway NE
Conyers, GA 30013

Dear Mr. Byrd:

Thank you for the opportunity to review your proposed project. Based upon the information provided to my staff, it is my understanding that Pratt Industries, Inc. is proposing to invest approximately \$52,686,899 related to the establishment of operations in Beloit, Wisconsin, and will create one hundred forty (140) new full-time positions with an average starting wage of \$22.31/hour.

This letter of intent is not a binding contract and it does not detail the specific, final terms of an agreement between WEDC and Pratt Industries, Inc. This letter of intent is a contingent proposal and a commitment to work with your company toward execution of a final assistance agreement based on the framework outlined here.

As this is a collaborative project between WEDC and Pratt Industries, Inc., public announcements about the Project must be coordinated before being released. Contacts regarding such announcements should be directed to Mark Maley, Public Information Manager, at 608-210-6767.

To assist with this project, the Wisconsin Economic Development Corporation (WEDC) proposes to provide the following:

I. JOBS TAX CREDIT PROGRAM

RECIPIENT: Pratt Industries, Inc.

AMOUNT: WEDC will designate Pratt Industries, Inc. in Beloit, WI under the Jobs Tax Credit Program. Upon designation, Pratt Industries, Inc. would be certified as eligible for state income tax credits of up to Two Million Three Hundred Ninety Nine Thousand Six Hundred Seventy Eight and 00/100 Dollars (\$2,399,678).

USE: To facilitate the creation of one hundred thirty-eight (140) new full-time positions paying an average wage of at least \$22.31 per hour and to facilitate total investment of Fifty-Two Million Six Hundred Eighty-Six



Thousand Eight Hundred Ninety-Nine And 00/100 dollars (\$52,686,899) in Beloit. Please note that as part of the contracting process, WEDC staff will establish the baseline for determining job creation by reviewing Pratt Industries, Inc.'s payroll for three months immediately preceding the company's certification date.

CONDITIONS: Except as mutually agreed upon, Job creation tax credits of up to One Million Nine Hundred Twenty Four Thousand Six Hundred Seventy Eight and 00/100 Dollars (\$1,924,678) may be distributed in accordance with the schedule set forth in Exhibit C. Please note that the actual amount of tax credits that Pratt Industries, Inc. will be able to claim is dependent upon meeting certain employment and wage levels.

Job training tax credits will be distributed annually in an amount up to Forty Seven and One Half Percent (47.5%) in direct relation to the amount of eligible training costs documented by Pratt Industries, Inc., not to exceed Four Hundred Seventy Five Thousand and 00/100 Dollars (\$475,000) and in accordance with the schedule set forth in Exhibit C. Please note that the actual amount of tax credits that Pratt Industries, Inc. will be able to claim is dependent upon the actual amount of eligible training costs incurred.

TERM: The tax credits can be earned over 48 consecutive months, commencing on January 1, 2015.

ELIGIBILITY: Jobs Tax Credits are refundable. Credits earned by Pratt Industries, Inc. will first be applied to any existing Wisconsin state income tax for which Pratt Industries, Inc. is liable in the applicable year. In any year in which tax credits exceed Pratt Industries, Inc.'s Wisconsin state income tax liability, the balance shall be refunded. Partnerships, LLCs treated as partnerships and tax-option corporations cannot claim the credit, but the credit attributable to the entity's business operations passes through to the partners, members or shareholders.

OTHER CONDITIONS:

The contingent offer outlined in this letter is subject to several conditions, including:

- (1.) Execution of a final tax credit contract.
- (2.) Pratt Industries, Inc. must execute and deliver all other documents and information required by WEDC.
- (3.) Pursuant to Wis. Stat. § 238.12(2), Pratt Industries, Inc. agrees that the Project will not be relocated outside of Wisconsin for a minimum of five years from the date of this award.
- (4.) There must not be any material change in the Project.
- (5.) WEDC may impose job creation, job retention, capital investment, or other thresholds and requirements regarding Pratt Industries, Inc.'s eligibility for the tax credits.
- (6.) The final tax credit contract contemplated by this letter of intent must be executed by March 15, 2015, unless WEDC and Pratt Industries, Inc. agree to extend this deadline. Unless otherwise

agreed to, should WEDC and Pratt Industries, Inc. fail to execute a contract by March 15, 2015, the offer outlined in this proposal will automatically expire with no further notice required to Pratt Industries, Inc.

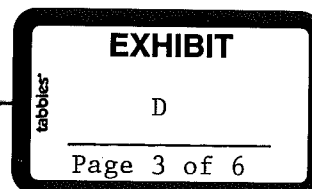
II. BUSINESS OPPORTUNITY LOAN FUND PROGRAM

- BORROWER:** Pratt Industries, Inc.
- AMOUNT:** Up to One Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$1,750,000).
- FEE:** None
- USE:** Equipment Purchase Costs for equipment installed at the property located at 1901 Gateway Boulevard in Beloit, WI to facilitate the creation of one hundred thirty-eight (140) new full-time positions paying an average wage of at least \$22.31 per hour and to facilitate total investment of Fifty-Two Million Six Hundred Eighty-Six Thousand Eight Hundred Ninety-Nine And 00/100 dollars (\$52,686,899).
- INTEREST RATE:** Two (2) Percent.
- REPAYMENT:** Loan payments shall be deferred until the drawdown end date of December 31, 2015. On that date, the balance of principal and accrued interest shall be amortized in equal monthly payments of principal and interest over the remaining 108 months. In no circumstances shall the term of the loan exceed ten (10) years, beginning with the initial date of disbursement eligibility on December 15, 2015.
- COLLATERAL:** General Business Security Agreement on all assets now owned or hereinafter acquired.
- GUARANTOR(S):** The Limited Corporate Guaranty of Pratt Industries, Inc. in an amount not to exceed the principal loan amount.
- DELIVERABLES:** (1). **Capital Investment:** Invest at least \$52,000,000 in eligible capital investment by 12/31/2019 in Beloit, Wisconsin.

OTHER CONDITIONS:

The contingent offer outlined in this letter is subject to several conditions, including:

- (1.) Execution of a final loan contract.
- (2.) Pratt Industries, Inc. must execute and deliver all other documents and information required by WEDC.
- (3.) Pratt Industries, Inc. must demonstrate that all necessary financing for the Project is available.



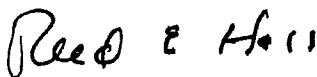
- (4.) Pursuant to Wis. Stat. § 238.12(2), Pratt Industries, Inc. agrees that the Project will not be relocated outside of Wisconsin for a minimum of five years from the date of this award.
- (5.) There must not be any material change in the Project.
- (6.) WEDC may impose job creation, job retention, capital investment, or other thresholds and requirements regarding Pratt Industries, Inc.'s eligibility for loan funds.
- (7.) The final tax credit contract contemplated by this letter of intent must be executed by March 15, 2015, unless WEDC and Pratt Industries, Inc. agree to extend this deadline. Unless otherwise agreed to, should WEDC and Pratt Industries, Inc. fail to execute a contract by March 15, 2015, the offer outlined in this proposal will automatically expire with no further notice required to Pratt Industries, Inc.

EXPIRATION:

This letter of intent will expire automatically unless it is accepted by returning a signed copy to WEDC by January 15, 2015.

In closing, WEDC is firmly committed to doing everything possible to expedite the processing and awarding of this incentive package. Should you have any questions about WEDC's proposal, please contact Business Attraction Manager Wade Goodsell at 608-210-6813.

Sincerely,



Reed E. Hall
SECRETARY AND CHIEF EXECUTIVE OFFICER

cc: Wade Goodsell, WEDC Business Attraction Manager

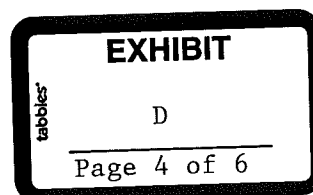
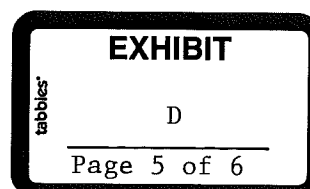


EXHIBIT C

	Payroll Credits	Training Credits	Cumulative Total
FYE 12/31/15	\$307,773	\$217,143	\$524,916
FYE 12/31/16	\$458,232	\$115,357	\$1,098,506
FYE 12/31/17	\$552,103	\$84,821	\$1,735,430
FYE 12/31/18	\$606,570	\$57,679	\$2,399,678
TOTAL	\$1,924,678	\$475,000	\$2,399,678



ACCEPTANCE OF THE PROPOSAL:

This letter of intent represents the extent of WEDC's participation in the project. The letter can be accepted by signing below and returning to WEDC by email at contracts@WEDC.org. The terms outlined in this letter of intent expire at 5:00 pm CST on January 15, 2015.

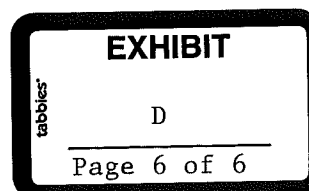
I have read and accept the proposal outlined in WEDC's letter of intent. Pratt Industries, Inc. agrees to move forward in good faith toward negotiations on the terms of and executing a final tax credit contract based on the framework outlined in this letter of intent. I understand the specific provisions of this letter are not binding upon WEDC or Pratt Industries, Inc. and that WEDC may withdraw this offer at any point for any reason.

Pratt Industries, Inc. agrees to consult with WEDC before making any public announcement regarding the award.

(Signature and Title)

(Date)

(Type or Print Name and Title Signed Above)



December 15, 2014

Chief Financial Officer
Pratt Industries
1800-C Sarasota Business Parkway
Conyers, GA 30013

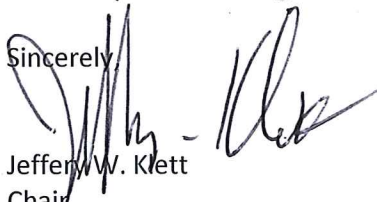
RE: GBEDC Discretionary Grant Commitment

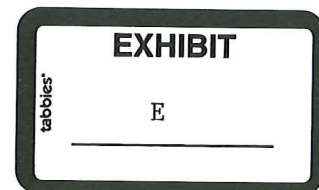
On December 10, 2014 the Greater Beloit Economic Development Corporation (GBEDC) met in closed session to receive a briefing on Pratt Industries plan to construct a 350,000 square foot corrugating manufacturing facility in the City of Beloit that would result in a capital investment of over \$50,000,000 and result in the creation of 140 jobs by 2018. After the Board received this briefing they were provided with a recommendation from the GBEDC Executive Committee that the GBEDC Board of Directors consider providing Pratt with a \$200,000 discretionary grant as an inducement to the company to locate in Beloit. It was explained the grant funds would be used to offset a portion of the capital costs that Pratt shall incur in constructing the new facility.

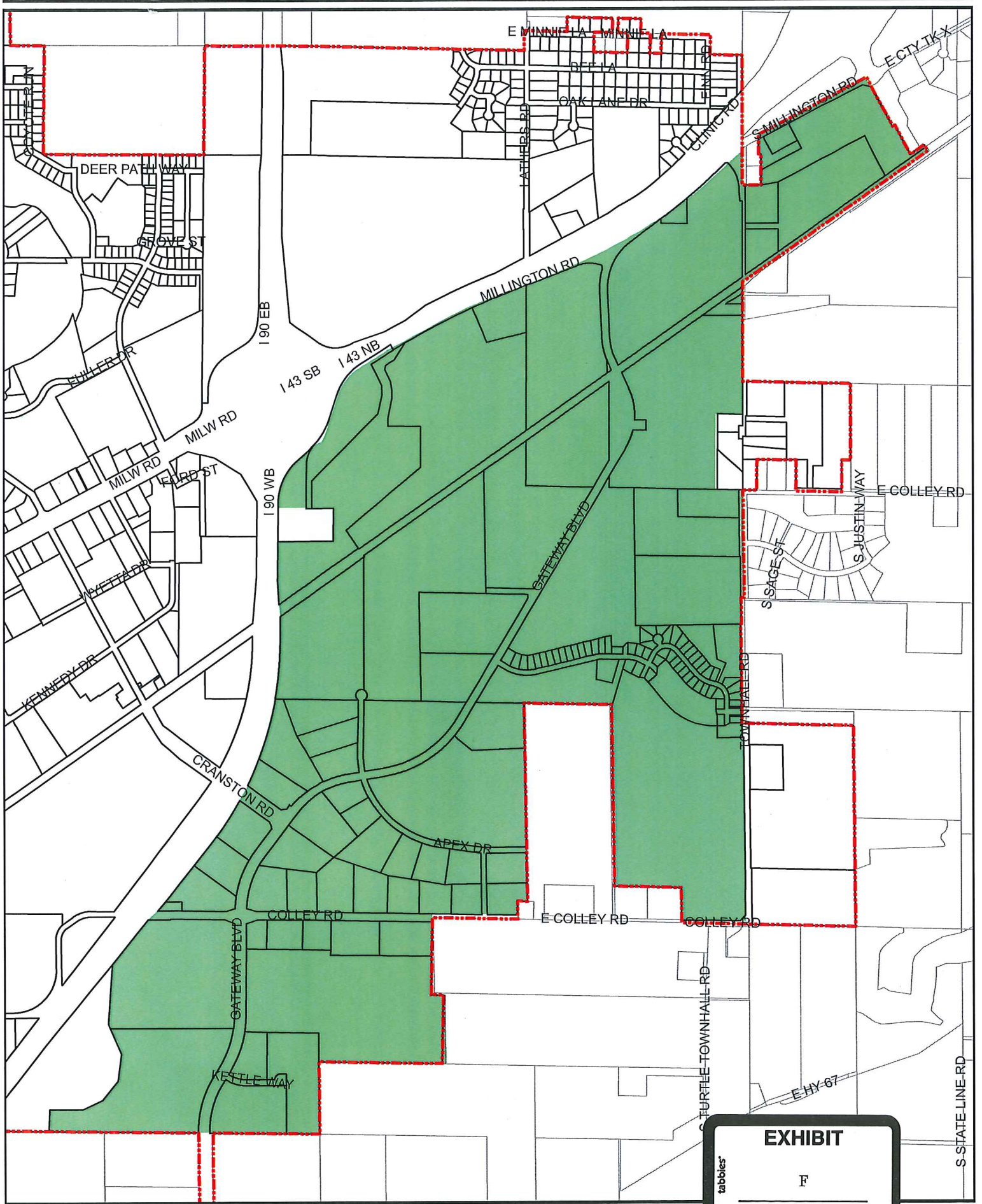
Although the Board was unable to take formal action on the item at that time, the general consensus from the Directors attending was to direct the Staff and Executive Committee to prepare a formal agreement for the GBEDC to enter into an agreement to approve the proposed \$200,000 discretionary grant. Furthermore, the Board directed that any agreement entered into would include a provision that the grant proceeds will be paid back if the number of jobs created and retained in an amount and time mutually agreeable to the GBEDC and Pratt are not achieved.

It is the intention of the GBEDC to conduct a joint meeting with the Beloit City Council in the near future to formally adopt a resolution approving the Development Agreement between the GBEDC, and Pratt. Furthermore, the GBEDC also intends to approve, via resolution the above referenced agreement at the same joint meeting. If necessary, the formal adoption of the Grant Agreement may take place at a later date but prior to closing on the land transaction.

Sincerely,


Jeffrey W. Klett
Chair
GBEDC





- City Limits
- TID 10

Tax Incremental District 10

EXHIBIT
F



Water flow information for:
1901 Gateway Boulevard – Vacant lot north of Gateway Booster Station

Modeled 12-11-14

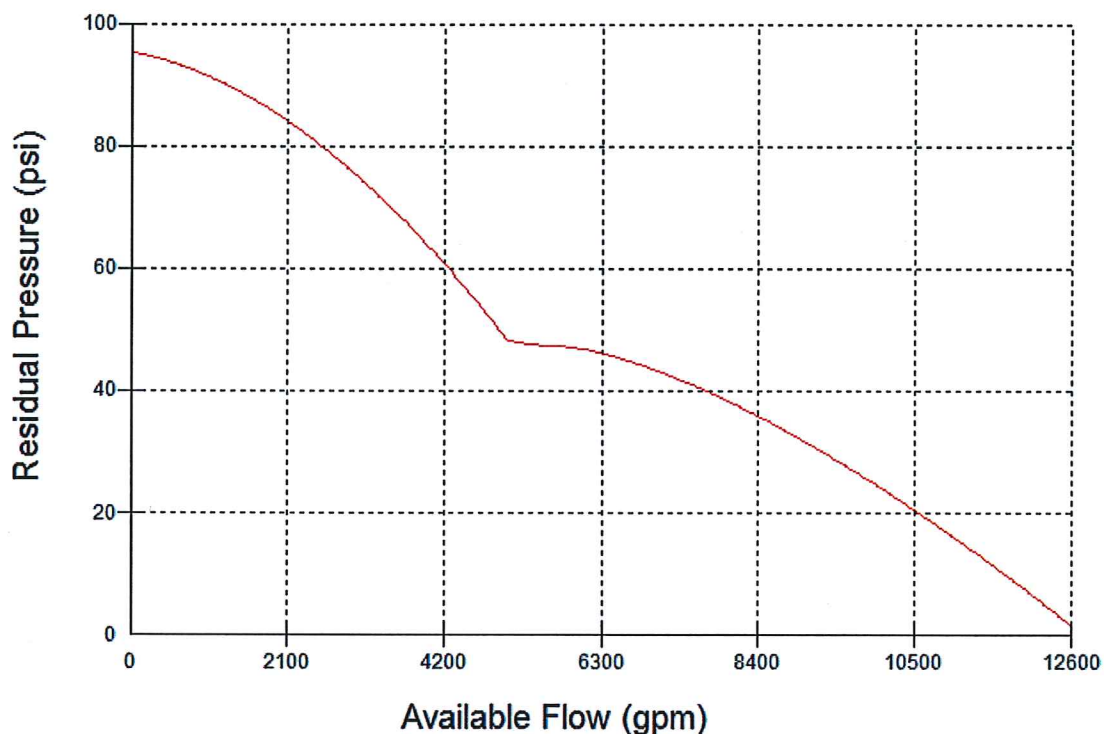
This vacant property lies between the booster station and the railroad track at an elevation of 816. It is in the Gateway High Pressure Zone. There is a 16" diameter PVC main in Gateway Boulevard on the west side of the road. There is a fire hydrant in front of the booster station, and two more to the north of the booster station still in front of this parcel. Model Node "BOOSTEROUT" is on the 16" PVC main near the booster station, and will be used for flow modeling at this address.

Model time 10am

The Colley Booster and the Gateway Booster are off. The Gateway Tower is 31% full and draining. The static pressure ranges from 93 psi to 104 psi in a 24 hour period.

The available flow in the 16" line is 1500 gpm at 88 psi.

Hydrant Curve for Junction BOOSTEROUT at 10:00 hrs



Andrew S. Hill, P.E., Project Engineer

hilla@ci.beloit.wi.us (608) 364-6692

Sent to:

12/12/14

Harry Mathos

**RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION
FOR A TRANSPORTATION ECONOMIC ASSISTANCE (TEA) GRANT
FROM THE WISCONSIN DEPARTMENT OF TRANSPORTATION**

WHEREAS, funds are available under the Transportation Economic Assistance (TEA) grant program administered by the Wisconsin Department of Transportation (WisDOT) for the purposes of providing transportation improvements necessary to enhance local economic development; and

WHEREAS, the City of Beloit ("City") and Pratt Industries, Inc. ("Pratt") have entered into a Development Agreement wherein Pratt will construct a corrugated box manufacturing facility, which includes the construction of a rail spur based upon the availability of TEA funds; and

WHEREAS, WisDOT requires the City guarantee the creation and retention of new jobs by Pratt in order to receive funds for this program; and

WHEREAS, the City will require Pratt to accept the responsibility for the creation and retention of the new jobs and reimburse the City for any partial or total reimbursement that WisDOT may require as a result of the company's failure to create or retain the requisite jobs; and

WHEREAS, WisDOT requires that the City take certain action with regard to submitting the TEA grant application to receive funds from this program.

NOW THEREFORE BE IT RESOLVED, that the City Manager of the City of Beloit is hereby authorized to submit an application for a TEA grant and shall be authorized to sign all necessary documents on behalf of the City; and

BE IT FURTHER RESOLVED that in the event that the application is approved, the City does hereby agree to administer and oversee the development of the proposed rail facilities.

Dated at City of Beloit, Wisconsin this 22nd day of December 2014

BELOIT CITY COUNCIL

Mark Spreitzer, President

ATTEST:

Rebecca Houseman LeMire, City Clerk

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution authorizing the City Manager to apply for a Wisconsin Department of Transportation for Economic Assistance (TEA) Grant.

Date: December 22, 2014

Presenter(s): Andrew Janke, Economic Development Director **Department(s):** Public Works/ Engineering

Overview/Background Information:

This project will construct a rail spur for Pratt Industries Inc. in the Gateway Business Park

Key Issues (maximum of 5):

1. The Development Agreement with Pratt Industries, Inc. requires the City of Beloit to apply for a TEA Grant to construct a rail spur to serve this industrial site in the Gateway Business Park.
2. The TEA Grant will provide \$5000 of funding for each job created and guaranteed and a 50% local funding requirement.
3. The State of Wisconsin requires this resolution authorizing the City Manager to submit an application.
4. The City commits to a Job Guarantee, the jurisdictional responsibility of the rail spur and to be the lead agency for the design and construction of the spur.
5. The City further commits to follow all applicable Federal, State and Local regulations.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

1. **Develop a high quality community through the responsible stewardship and enhancement of City resources to further Beloit's resurgence as a gem of the Rock River Valley.**

This project will enhance the quality of life in Beloit by providing additional jobs.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels** – Delivering materials by rail reduces trucking
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** – N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** – N/A

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

The Engineering Division recommends approving the resolution authorizing the City Manager to apply for the TEA Grant

Fiscal Note/Budget Impact:

A CIP Budget amendment will be required when the Grant is received. Adequate funding is available in TIF10 to cover the local match requirements.