

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

- Appointments ... Appt
- 
- Clearinghouse Rules ... CRule
- 
- Committee Hearings ... CH
- 
- Committee Reports ... CR
- 
- Executive Sessions ... ES
- 
- Hearing Records ... HR
- 
- Miscellaneous ... Misc
- 97hr\_JC-Fi\_Misc\_pt01k\_DPR
- Record of Comm. Proceedings ... RCP
-

Joint Finance

16.505/16.515

14 Day Passive  
Reviews

6/24/96 to  
9/23/96

7/18/96  
Wi. Building Commission

# STATE OF WISCONSIN

*approved*

SENATE CHAIR  
BRIAN BURKE

100 North Hamilton  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-8535



ASSEMBLY CHAIR  
BEN BRANCEL

119 Martin Luther King Blvd.  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-7746

## JOINT COMMITTEE ON FINANCE

July 22, 1996

Secretary James R. Klauser  
Department of Administration  
101 East Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53707

Dear Secretary Klauser:

This is to inform you that the members of the Joint Committee on Finance have reviewed the June 28, 1996 request by the State of Wisconsin Building Commission pursuant to s. 13.48(14)(d)(4), regarding the sale of surplus properties by state agencies.

No objections to this request have been raised. Accordingly, the request has been approved.

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE  
Senate Chair

Handwritten signature of Ben Brancel in black ink.

BEN BRANCEL  
Assembly Chair

cc: Secretary Robert Brandherm, State of Wisconsin Building Commission  
Members, Joint Committee on Finance  
Linda Nelson, Department of Administration

# STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

100 North Hamilton  
P.O. Box 7882  
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Phone: 266-7746

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

TO: Joint Finance Members

FROM: Senator Brian Burke  
Representative Ben Brancel  
Co-Chairs, Joint Committee on Finance

DATE: July 1, 1996

RE: 14-Day Review

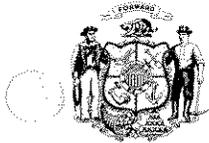
We have received a request for review from the State of Wisconsin Building Commission pursuant to s.13.48(14)(d)(4), which requires all agencies to notify the Joint Committee on Finance of all sales of surplus properties.

Please review the attached materials and notify Senator Burke or Representative Brancel no later than **Thursday, July 18, 1996**, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need any further information.

BB:BB:nb

Attachment



State of Wisconsin \ BUILDING COMMISSION

Tommy G. Thompson  
Governor

Robert N. Brandherm  
Secretary

101 E. WILSON ST.  
P.O. BOX 7866  
MADISON, WISCONSIN 53707

June 28, 1996

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
107 South State Capitol  
Madison, WI 53702

The Honorable Ben Brancel, Co-Chair  
Joint Committee on Finance  
107 South State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Brancel:

RE: Sale of Surplus Property  
Employment Security Building - Janesville

This request is submitted as required by s. 13.48(14)(d)4 as a notification of the intent to sell the federally-owned Employment Security building at 211 North Parker Drive in Janesville to the National American Red Cross at the price of \$200,000. There have been two private appraisals of the property, one at \$88,000 and one at \$225,000. We believe the higher appraisal to be more representative of the value of the building. Since this is a federally-owned building, proceeds of the sale will be returned to the U.S. Department of Labor.

This building is surplus to the needs of the Department of Industry, Labor and Human Relations (Workforce Development) because of the use of a telephone/computer system referred to as Telephone Initial Claims, which reduces the need for Unemployment Insurance offices in the state. The department's Jobs, Employment and Training Services Division has already been relocated to the Janesville Job Center.

The Building Commission unanimously approved this request on Thursday, June 27, 1996. A copy of the agency request is attached for additional background information.

The U.S. Department of Labor has also approved this request. A copy of a letter of June 20, 1996, from the Regional Administrator is attached.

We understand that s. 13.48(14)(d)4 provides 14 working days for review by the Joint Committee on Finance and would appreciate a letter approving the sale or scheduling a hearing on this matter so that, if approved, the department and the American Red Cross can proceed with the closing. Please feel free to call me at 266-1031 if you have any questions regarding this transaction.

Sincerely,

  
Robert N. Brandherm  
Secretary

Attachments (2)

cc: Robert Lang, Legislative Fiscal Bureau

**U.S. Department of Labor**

Employment and Training Administration  
230 South Dearborn Street  
Chicago, Illinois 60604



Reply to the Attention of:

June 20, 1996

Mr. Richard C. Wegner  
Acting Secretary  
Wisconsin Department of Industry, Labor  
and Human Relations  
201 East Washington Avenue  
Post Office Box 7946  
Madison, Wisconsin 53707-7946

Dear Mr. ~~Wegner~~ *Wegner*

This response is in regards to your letter dated May 30, 1996, requesting approval to sell the Employment Security building at 211 North Parker Drive, Janesville, Wisconsin. Based upon our review of the documentation, the Regional Office concurs with your decision and hereby grants your agency approval to sell this building for \$200,000 to the National American Red Cross.

As indicated in your letter, all proceeds are to be forwarded to the Department of Labor. Upon completion of this sale, please forward the proceeds via a check payable to the U.S. Department of Labor, to the Regional Office.

Should you have any further questions regarding this matter, please contact me or Barry Dale at (312) 353-9138.

Respectfully yours,

  
JOSEPH C. JUAREZ  
Regional Administrator

Agency Request for  
State Building Commission Action  
June 25, 1996

Requesting Agency: Department of Industry, Labor and Human Relations

Requested Action:

Approval to sell the federally owned Employment Security (Reed Act) building, 211 North Parker Drive, Janesville, which has housed the local offices of Unemployment Insurance and Jobs, Employment and Training Services (JETS) Divisions.

Source of Funds: Only federal funds are involved

Explanation:

With the department's recent change to handle claims for Unemployment Insurance via a sophisticated telephone/computer system referred to as Telephone Initial Claims there is no longer a need for most Unemployment Insurance offices in the state. Unemployment Insurance was the only remaining occupant of the 211 North Parker Drive building. The department's other presence in Janesville is at the Janesville Job Center, 17 South River Street, where the department's Jobs, Employment and Training Services (JETS) Division staff are and have been located. The JETS staff need to be co-located in a "one-stop" job center in order to provide effective services in a coordinated manner with other local related agencies. The Parker Drive building would not be a suitable location for the job center.

The building was constructed in 1962 at a cost of \$138,200, solely with federal funds.

U. S. Department of Labor approval to sell the building has been requested and is expected.

Proceeds from the sale are expected to be returned to the federal government.

The sale of this building is part of a long term plan by the department to sell eight of its remaining eleven Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DILHR services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison and Kenosha.

The Department has followed State of Wisconsin procedures to sell the property.

The property was offered for sale to other governmental agencies, state and local. The department then listed the building for sale with the Rifken Group, a commercial real estate brokerage firm, selected through a state-wide Request For Proposal procurement process. The Rifken Group marketed the property.

The department obtained two independent appraisals by MAI appraisers. Copies of their valuations of the building are at attachments A and B. The estimated market value established by the appraisers is as follows:

Modern Appraisal Services, Inc., Janesville Linn A. Duesterbeck, MAI	\$ 88,000
D.L. Evans Company, Inc., Madison D.L. Evans, MAI	\$225,000

The National American Red Cross offer of \$200,000 dated May 30, 1996, is found at Attachment C.

The Department has accepted, pending approval by the State Building Commission, the U. S. Department of Labor, and the Joint Finance Committee, the National American Red Cross offer of \$200,000. The department and National American Red Cross would like to close the sale by September 30, 1996.

A real estate broker commission of 5.990% will be payable to the Rifken Group upon closing from the sales proceeds in accordance with the contract for Real Estate Broker Services, # C562.

#### Attachments

- A - Linn A. Duesterbeck, MAI, Modern Appraisal Services, Inc appraisal
- B - D.L. Evans, MAI, D.L. Evans Company appraisal
- C - Accepted offer/counter offer from National American Red Cross

File Ref: msword/janbldcm.doc

MODERN APPRAISAL SERVICES, INC.

TELEPHONE 608/756-2393 • FAX 608/756-4404

115 SOUTH FRANKLIN STREET  
JANESVILLE, WISCONSIN 53545

LETTER OF TRANSMITTAL

January 25, 1996

Ms. Carol Skornicka, Secretary  
c/o Department of Industry, Labor and Human Relations  
201 East Washington Avenue  
Madison, Wisconsin 53703

Dear Ms. Skornicka:

I have made an investigation and appraisal of the State of Wisconsin Unemployment Office Building, located at 211 North Parker Drive, Janesville, Wisconsin.

The purpose of the appraisal is to estimate the market value of the fee simple estate of the real estate only, as of January 22, 1996, with the function for possible sale.

A complete definition of market value is found in the body of the report.

The appraised property consists of a one-story masonry office building with a full basement, constructed in 1962, containing 4200 square feet on both the main level and the basement level. Total building area is therefore 8400 square feet. The building is divided into two large open office areas and several smaller offices, storage and utility rooms and washrooms. Total site area is 11,027 square feet.

There are also various site improvements, such as a paved parking lot and driveway, blacktop and concrete service walks and ramps, and minor landscaping.

The appraisal includes a value of the land, land improvements and building only, excluding any equipment or personal property of the owner.

The report consists of:

This Letter of Transmittal.

A Summary of Pertinent Facts and Conclusions.

A narrative section containing a description of the property, a presentation of the valuation procedures, and a conclusion of market value.

Based on the investigation and analysis, market value of the fee simple estate of the real estate only, as of January 22, 1996, is estimated to be,

Eighty-Eight Thousand Dollars (\$88,000)

Final market value estimate is allocated between land and improvements as follows:

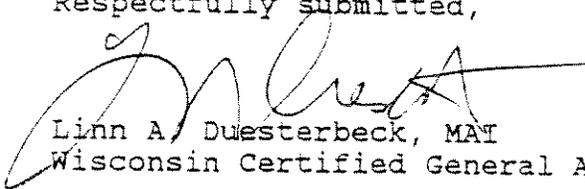
Land	= \$16,500
Improvements	= \$71,500

The client has also requested a point range of market value for the subject. This is estimated at between \$83,000 and \$93,000.

I have not investigated the title to or any liabilities against the property appraised.

Limiting conditions and certification applying to this report are enclosed.

Respectfully submitted,

  
Linn A. Duesterbeck, MAI  
Wisconsin Certified General Appraiser #4

LAD:ac/lz

# D.L. EVANS COMPANY, INC.

REALTORS® • APPRAISERS • COUNSELORS

6409 Odana Road • Madison, Wisconsin 53719  
(608) 274-4141 • FAX (608) 274-4145

February 7, 1996

Ms. Carol Skornicka  
Secretary DILHR  
Attn: Arthur J. Zoellner  
Assistant to the Administrator  
Dept. of Industry, Labor and Human Relations  
Post Office Box 7946  
Madison, Wisconsin 53707

Dear Mr. Zoellner:

In accordance with your request we have made an investigation and appraisal of the state owned commercial office building located at 211 North Parker Drive, Janesville, Wisconsin.

The purpose of this appraisal was to estimate the Market Value of the fee simple interest of the property as of February 2, 1996, the date of property inspection and the effective date of the appraisal.

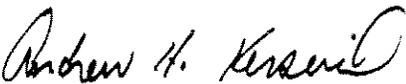
This appraisal is prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice and Title XI of FIRREA Regulations. A Complete narrative appraisal report accompanies this transmittal letter and is the basis for the value conclusion. This report does not invoke the Departure Provision of the Uniform Standards.

Based upon the data and analysis presented in this report, the Market Value of the subject property has been estimated at TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$225,000).

As noted in the Correlation and Conclusion to Value Section of this report, the estimated Market Value Range for the subject property is \$210,000 to \$230,000.

Respectfully submitted,

D. L. EVANS COMPANY, INC.

  
Andrew H. Kessenich, Appraiser

  
Donald L. Evans, President

COUNTER-OFFER

The Offer to Purchase dated May 20, 1996, from The National American Red Cross for the purchase of real estate at 211 N. Parker Drive, City of Janesville, is countered. All terms and conditions to remain the same as stated on the Offer to Purchase except for the following:

1. Line 269 ADDITIONAL PROVISIONS is amended to include the following after
  1. Property is sold in an "as is" condition: [REDACTED]
  2. Potential buyers should ensure for themselves that any plans they may have for the building will be permitted by city ordinances.
2. Line 270 ADDITIONAL PROVISIONS is amended by deleting the language on lines 270 through 272 and replacing that language with: 3. CONDITIONS OF SALE: Once accepted by the Department of Industry, Labor & Human Relations this Offer To Purchase does not become final and the Department does not agree to sell and convey the property until this proposed sale is approved by the United States Department of Labor, the Wisconsin State Building Commission and the Wisconsin Legislature's Joint Committee on Finance. Buyer may void this offer if such approval from the United States Department of Labor, the Wisconsin State Building Commission, and the Wisconsin Legislature's Joint Committee on Finance is not completed within 60 days from the date of this offer's acceptance by Buyer and the Department of Industry, Labor & Human Relations.

SW  
AJZ

This Counter Offer must be accepted on or before 5:00 p.m., Thursday, May 30, 1996 (time is of the essence) and it shall not become binding upon the Seller until a copy of the accepted Counter Offer is deposited, postage prepaid, in the United States mails, addressed to the Seller at:

Vicki Mussehl, The Rifken Group, 118 King Street, Madison, WI 53703  
Facsimile (608) 846-2680

or by personal delivery or facsimile transmission to the Seller

Dated: MAY 29 1996  


(Selling) State of Wisconsin, Department of Industry, Labor and Human Relations, successor to the State of Wisconsin Industrial Commission

Accepted above Counter-Offer by Susan D. Wever [Signature]  
(Buyer)

Dated: 5-29-96

**WB-15 COMMERCIAL OFFER TO PURCHASE**

1 THE BROKER DRAFTING THIS OFFER ON May 20, 1996 [DATE] IS THE AGENT OF (SELLER) (BUYER)  (STRIKE AS APPLICABLE)

**GENERAL PROVISIONS**

2 The Buyer, The National American Red Cross, offers to purchase the Property  
3 known as 211 N. Parker Drive  
4 in the City of Janesville, County of Rock, Wisconsin,  
5 (Additional description, if any:) parcel number 013-61-00281

6  PURCHASE PRICE: Two Hundred Thousand and No/100  
7 Dollars (\$ 200,000.00).

8  EARNEST MONEY OF \$ None in the form of n/a accompanies this Offer and earnest money of  
9 \$ n/a in the form of n/a will be paid within n/a days of acceptance.

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

11  ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE: Seller shall include in the purchase price and transfer, free and clear of encumbrances, all  
12 fixtures, as defined at lines 190 to 192 and as may be on the Property on the date of this Offer, unless excluded at lines 18-20 and the following additional  
13 items: none

14 All personal  
15 property included in purchase price will be transferred by Bill of Sale or n/a.

16  ITEMS NOT INCLUDED IN THE PURCHASE PRICE: CAUTION: Address rented fixtures or trade fixtures owned by tenants, if applicable.  
17 All personal property of tenant.

18  PROPERTY CONDITION REPRESENTATIONS: Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of  
19 conditions affecting the Property or transaction (as defined at lines 159 to 178) other than those identified in ~~Seller's disclosure reports dated~~  
20 ~~which was received by Buyer prior to Buyer signing this Offer~~ COMPLETE DATE OR STRIKE AS APPLICABLE and

21 HVAC system was installed at time of construction in 1962 & may need extensive repair/replace.

22  TIME IS OF THE ESSENCE as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing  
23  (STRIKE AS APPLICABLE) and all other dates and deadlines in this Offer except none.

**ACCEPTANCE, DELIVERY AND RELATED PROVISIONS**

24  BINDING ACCEPTANCE: This Offer is binding upon both parties only if a copy of the accepted Offer is delivered to Buyer on or before  
25 May 28, 1996. CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.

26  DELIVERY OF DOCUMENTS AND WRITTEN NOTICES: Unless otherwise stated in this Offer, delivery of documents and written notices to a party shall  
27 be effective only when accomplished in any of the following ways:

28 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to the party at:

29 Buyer: Red Cross, 205 N. Main Street, Suite 104, Janesville, WI 53545

30 Seller: c/o Vicki Mussehl, The Rifken Group, 116 King St., Madison, WI 53703

31 (2) By giving the document or written notice personally to the party;

32 (3) By electronically transmitting the document or written notice to the following telephone number: Buyer: ( 608 ) 754-8119

33 Seller: ( 608 ) 258-4640/845-2680. Any signed document transmitted by fax shall be considered an original document and shall have  
34 the binding and legal effect of an original document. The signature of any Party upon a faxed document shall be considered an original signature.

**OCCUPANCY AND RELATED PROVISIONS**

35  OCCUPANCY of 211 N. Parker Drive, Janesville  
36 shall be given to Buyer at time of closing unless otherwise agreed in writing.

37 CAUTION: Consider an agreement which addresses responsibility for removal of personal property and debris prior to occupancy, if applicable.

38  LEASED PROPERTY: If Property is currently leased and leases extend beyond closing, Seller shall assign Seller's rights under said lease(s) and  
39 transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral)  (STRIKE ONE) lease(s), if any, are  
40 n/a

41  RENTAL WEATHERIZATION: This transaction (is) ~~not~~  (STRIKE ONE) exempt from State of Wisconsin Rental Weatherization Standards  
42 (ILHR 67, Wisconsin Administrative Code). If not exempt, (Buyer) (Seller)  (STRIKE ONE) will be responsible for compliance, including all costs.

**CLOSING AND RELATED PROVISIONS**

43  CLOSING: This transaction is to be closed at the place designated by Buyer's mortgagee or 1st American Title Co. or it's  
44 affiliate no later than September 30, 1996 unless another date or place is agreed to in writing.

45  CLOSING PRORATIONS: The following items shall be prorated at closing: real estate taxes, rents, private and municipal charges, property owner's  
46 association assessments, fuel and none other

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

48 Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known, otherwise on the net general real  
49 estate taxes for the preceding year) ( n/a, property is currently exempt from tax

50 )  (STRIKE AND COMPLETE AS APPLICABLE) CAUTION: If Property has not been fully  
51 assessed for tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real  
52 estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.

53  SPECIAL ASSESSMENTS: Special assessments, if any, for work on site actually commenced or levied prior to date of this Offer shall be paid by Seller  
54 no later than closing. All other special assessments shall be paid by Buyer. CAUTION: See lines 194 to 196 regarding other expenses. Consider a  
55 special agreement regarding these expenses, if applicable.

56  FORM OF TITLE EVIDENCE: Seller shall give evidence of title by Seller's choice of: (1) ~~an abstract of title~~ or (2) an owner's policy of title insurance  
57  (STRIKE AS APPLICABLE) as further described at lines 141 to 153.

58  CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by quit claim (or other conveyance as provided  
59 herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements  
60 for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes levied in the year of closing and  
61 ~~any other~~ no other unless acceptable to Buyer

62 (provided none of the foregoing prohibit present use of the Property), which constitutes  
63 merchantable title for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.

**ADDENDA TO OFFER**

See line 268 to determine if addenda, riders or other documents have been made a part of this Offer.

74 WARNING: If Buyer contemplates improving or developing Property, or a change in use, Buyer may need to address municipal and zoning ordinances, recorded building and use restrictions, covenants and easements which may prohibit some improvements or uses. The need for building permits, zoning variances, environmental audits, etc. may need to be investigated to determine feasibility of improvements, development or use changes for Property. Contingencies for investigation of these issues may be added to this Offer. See lines 241 to 273.

78 PROPERTY CONDITION PROVISIONS

77 Buyer acknowledges that any Property, building or room dimensions, or total acreage or building square

76 ■ PROPERTY DIMENSIONS AND SURVEYS: Buyer acknowledges that any Property, building or room dimensions, or total acreage or building square footage figures, provided to Buyer by Seller or Seller's agent(s), may be approximate because of rounding or other reasons, unless verified by survey or other means. Buyer also acknowledges that there are various formulas used to calculate total square footage of buildings and that total square footage figures will vary dependent upon the formula used. CAUTION: Buyer should verify total square footage formula, Property, building or room dimensions, and total acreage or square footage figures, if material to Buyer's decision to purchase.

84 ■ INSPECTIONS: Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspectors are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections are completed, unless otherwise agreed with Seller. CAUTION: See lines 193 to 200 for definitions of "inspection" and "test". Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. If Buyer requires testing contingencies, they should be specifically provided for at lines 268 to 273. Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

91 ■ PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING: Seller shall maintain the Property until the earlier of closing or occupancy by Buyer in materially the same condition as of the date of acceptance of this Offer. If, prior to the earlier of closing or occupancy by Buyer, the Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to restore the Property. If Seller is unable to restore the Property, Seller shall promptly notify Buyer in writing and this Offer may be cancelled at the option of the Buyer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be cancelled at option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to any insurance proceeds relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy.

97 ■ PRE-CLOSING INSPECTION: At a reasonable time, preapproved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for changes approved by Buyer.

100 DEFAULT

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

103 If Buyer defaults, Seller may: sue for specific performance and request the earnest money as partial payment of the purchase price; or terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct broker to return the earnest money and have the option to sue for actual damages. Buyer may: if Seller defaults, Buyer may: sue for specific performance; or terminate the Offer and request the return of the earnest money, sue for actual damages; or both.

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

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

114 NOTE: WISCONSIN LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED. Buyer's or Seller's legal right to earnest money cannot be determined by broker. In the absence of a mutual agreement by the Parties, earnest money will be distributed as set forth in lines 121 to 140.

121 EARNEST MONEY

122 ■ HELD BY: Earnest money, if held by a broker, shall be held in the trust account of the broker drafting the Offer prior to acceptance of Offer and in the trust account of the listing broker (Buyer's agent if Property is not listed) after acceptance until applied to purchase price or otherwise disbursed as provided in the Offer. If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's depository institution if earnest money is paid by check) to the person who paid the earnest money. CAUTION: If someone other than Buyer makes payment of earnest money on behalf of Buyer, consider a special agreement regarding disbursement.

127 ■ DISBURSEMENT: At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money. (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller; (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) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and, in such event, broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement. Should persons other than broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney for Buyer or Seller.

134 ■ LEGAL RIGHTS/ACTION: Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer. At least 30 days prior to disbursement per (1) or (4), broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4 dwelling units and certain other earnest money disputes. The Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute.

139 Both Parties agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning earnest money. See Wis. Administrative Code RL 18.

140 Department of Regulation and Licensing regulations concerning earnest money. See Wis. Administrative Code RL 18.

PROPERTY DESCRIPTION:

211 N. PARKER DRIVE, JERICHOVILLE

OPTIONAL PROVISIONS: THE PROVISIONS ON LINES 222 THROUGH 268 ARE A PART OF THIS OFFER IF MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK.

[X] FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain: [CHECK APPLICABLE FINANCING BELOW]

[ ] land contract financing from Seller at closing as further described at lines 212 to 218 and 226 to 240. [ ] INSERT LOAN PROGRAM (fixed) (adjustable) [STRIKE ONE]

[X] rate first mortgage loan commitment as further described at lines 202 to 211 and 226 to 236, within days of acceptance of this Offer.

The financing selected shall be in an amount of not less than \$ for a term of not less than years, amortized over not less than years.

If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

IF FINANCING IS FIXED RATE the annual rate of interest shall not exceed % and monthly payments of principal and interest shall not exceed \$.

IF FINANCING IS ADJUSTABLE RATE the initial annual interest rate shall not exceed %. The initial interest rate shall be fixed for months, at which time the interest rate may be increased not more than % per year.

The maximum interest rate during the mortgage term shall not exceed %. Initial monthly payments of principal and interest shall not exceed \$.

Monthly payments of principal and interest may be adjusted to reflect interest changes. MONTHLY PAYMENTS MAY ALSO INCLUDE 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums.

The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee in an amount not to exceed % of the loan.

Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing costs. IF FINANCING IS BY LAND CONTRACT interest rate following payment default shall be %, the default period shall be days for payments and days for performance of any other obligations.

Interest shall be calculated on a (prepaid) (postpaid) [STRIKE ONE] basis. The first payment shall be due on principal without penalty at any time.

If the term of the land contract is shorter than the amortization period a balloon payment will be due at the end of the term of the land contract. (Buyer) (Seller) [STRIKE ONE] shall be responsible for the preparation of the land contract, including all costs of preparation.

[X] DOCUMENT REVIEW CONTINGENCY: This Offer is contingent upon Seller delivering the following documents to Buyer within 5 days of acceptance: [CHECK THOSE THAT APPLY]

[X] Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.

[ ] A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with representations made prior to and in this Offer.

[ ] Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property to be free and clear of all liens, other than liens to be released prior to or at closing.

[ ] Other

This contingency shall be deemed satisfied unless Buyer, within days of the earlier of receipt of the final record to be delivered or the deadline for delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied.

The notice shall identify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

[X] ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY: This Offer is contingent upon: [CHECK THOSE THAT APPLY]

[ ] A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the Property [see lines 179 to 189], at (Buyer's)(Seller's) [STRIKE ONE] expense, which discloses no defects.

A defect is defined as a material violation of any environmental law, a material contingent liability affecting the Property arising under any environmental law, the presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the Property due to future migration from other properties.

[X] A qualified independent inspector of Buyer's choice conducting an inspection of the Property and at (Buyer's)(Seller's) [STRIKE ONE] expense, which discloses no defects.

A defect is defined as a structural, mechanical or other condition would have a significant adverse effect on the value of the Property; that would significantly impair the health and safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or have a significantly adverse effect on the expected normal life of the Property.

This contingency shall be deemed satisfied unless Buyer, within days of acceptance, delivers to Seller a copy of the environmental site assessment / inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment / inspection report(s) to which Buyer objects.

Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer. Buyer agrees to deliver a copy of the report and notice to listing broker, if Property is listed, promptly upon delivery to Seller.

[X] ADDENDA: The attached Addendum A is/are made part of this Offer.

ADDITIONAL PROVISIONS 1. Property is sold in an "as is" condition.

2. Closing is subject to approval by the State Building Commission and the Joint Finance Committee within two months following acceptance by the Department of Industry, Labor & Human Relations.

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

This Offer was drafted on (date) by Vicki Mussohl, The Rifken Group, Ltd.

(Buyer's Signature) Print Name here: [Signature] (Social Security No.) (Date) 5/20/96

(Buyer's Signature) Print Name here: [Signature] (Social Security No.) (Date) 5/20/96

EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

n/a Broker (By)

SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. THE UNDERSIGNED HEREBY AGREES TO CONVEY THE ABOVE-MENTIONED PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

(Seller's Signature) Print Name here: Arthur Zoellner, DIIHR (Social Security No.) (Date)

(Seller's Signature) Print Name here: (Social Security No.) (Date)

This Offer was presented to Seller by on , 19 , at a.m./p.m.

THIS OFFER IS REJECTED (Seller Initials) (Date) THIS OFFER IS COUNTERED [See attached counter] (Seller Initials) (Date)

142 ■ **FORM OF TITLE EVIDENCE** - Seller shall give evidence of title (as selected at lines 64 to 65) to the Property in the form of (1) an abstract of title prepared by an attorney licensed to practice law in Wisconsin or an abstract company, or (2) an owner's policy of title insurance in the amount of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin.

143 ■ **PROVISION OF MERCHANTABLE TITLE** - Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be acceptable if the abstract or a commitment for the required title insurance is delivered to Buyer's attorney or to Buyer not less than 5 business days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens which will be paid out of the proceeds of closing and standard abstract certificate limitations or standard title insurance requirements and exceptions, as appropriate.

144 ■ **TITLE ACCEPTABLE FOR CLOSING**: If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

**DEFINITIONS**

145 ■ **ACCEPTANCE**: Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate but identical copies of the Offer. See lines 29 and 30 regarding binding acceptance.

146 ■ **CAUTION: CONSIDER WHETHER SHORT TERM DEADLINES RUNNING FROM ACCEPTANCE PROVIDE ADEQUATE TIME FOR BOTH BINDING ACCEPTANCE AND PERFORMANCE**

147 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION**: A condition affecting the Property or transaction is defined as follows:

(a) Planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the present use of the Property;

(b) Government agency or court order requiring repair, alteration or correction of any existing condition;

(c) Completed or pending reassessment of the Property for property tax purposes;

(d) Structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;

(e) Any land division involving the Property, for which required state or local approvals were not obtained;

(f) Construction or remodeling on the Property for which required state or local approvals were not obtained;

(g) Any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal regulations;

(h) That a structure on the Property is designated as a historic building or that any part of the Property is in a historic district;

(i) Material violations of environmental laws or other laws or agreements regulating the use of the Property;

(j) Conditions constituting a significant health or safety hazard for occupants of the Property;

(k) Underground storage tanks on the Property for storage of flammable or combustible liquids including but not limited to gasoline and heating oil; *NOTE: The Wisconsin Administrative Code contains registration and operation rules for such underground storage tanks*

(l) Underground or aboveground storage tanks for storage of flammable, combustible or hazardous materials including but not limited to gasoline and heating oil, which are currently or which were previously located on the Property;

(m) High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;

(n) Material levels of hazardous substances located on Property or previous storage of material amounts of hazardous substances on Property;

(o) Other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

148 ■ **ENVIRONMENTAL SITE ASSESSMENT**: An "environmental site assessment" may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property; (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment, including the National Priorities List, the Department of Natural Resources' (DNR) registry of Abandoned Landfills, the DNR's Registry of Leaking Underground Storage Tanks, and the DNR's most recent remedial response site evaluation report (including the Inventory of Sites and Facilities Which May Cause or Threaten to Cause Environmental Pollution). Any "environmental site assessment" performed under this Offer shall comply with generally recognized industry standards (e.g. current American Society of Testing and Materials "Standards for Environmental Site Assessments for Commercial Real Estate"), state and federal guidelines, as applicable. **CAUTION: Unless otherwise agreed an "environmental site assessment" does not include testing of the Property for environmental pollution.**

149 ■ **FIXTURES**: A "fixture" is an item of property which is physically attached to or so closely associated with land and improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items specifically adapted to the Property, and items customarily treated as fixtures. A "fixture" does not include trade fixtures owned by tenants of the Property. See Lines 13 to 20.

150 ■ **INSPECTION**: An "inspection" is defined as an observation of the Property which does not include testing of the Property.

151 ■ **OTHER EXPENSES**: In addition to "special assessments for work on site", government entities may charge one-time or ongoing use fees for other public improvements relating to curb, gutter, street, sidewalk, sanitary and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stats. §66.55(1)(c) & (f).

152 ■ **TEST**: A "test" is defined as the taking of samples of materials such as soil, water or building materials from the Property and the laboratory or other analysis of these materials. *Note: Any contingency authorizing such tests should specify the areas of the Property to be tested, the purpose of the test, (e.g. to determine the presence or absence of environmental contamination), any limitations on Buyer's testing and any other material terms of the contingency (e.g. Buyer's obligation to return the Property to its original condition).*

**PROVISIONS TO RELATED FINANCING**

201 ■ **LOAN COMMITMENT**: If this Offer is contingent on financing, Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for said financing or other financing acceptable to Buyer, Buyer agrees to deliver to Seller, or Seller's agent, a copy of the written loan commitment no later than the deadline for loan commitment under the Financing Contingency. If Buyer does not make timely delivery of said commitment, Seller may terminate this 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 commitment.

202 ■ **FINANCING UNAVAILABILITY**: If this Offer is contingent on financing and financing is not available on the terms stated, Buyer shall promptly deliver written notice to Seller of same including copies of lender(s) rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in the Financing Contingency, Seller shall then have 5 days to give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth herein, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void.

203 ■ **LAND CONTRACT**: If this Offer provides for a land contract both Parties agree to execute a State Bar of Wisconsin Form 11 Land Contract, the terms of which are incorporated into this Offer by reference. Prior to execution of the land contract Seller shall provide the same evidence of merchantable title as required above and written proof, at or before execution, that the total underlying indebtedness, if any, is not in excess of the proposed balance of the land contract, that the payments on the land contract are sufficient to meet all of the obligations of Seller on the underlying indebtedness, and that all creditors whose consent is required have consented to the land contract sale. Seller may terminate this Offer if creditor approval cannot be obtained. Seller may terminate this Offer if Buyer does not provide a written credit report which indicates that Buyer is credit worthy based upon reasonable underwriting standards within 15 days of acceptance. Buyer shall pay all costs of obtaining creditor approval and the credit report.

## ADDENDUM A

This is an Addendum to the Commercial Offer to Purchase dated May 20, 1996, between the National American Red Cross, as Buyer, and State of Wisconsin, as Seller, for property located at 211 N. Parker Drive, Janesville, Wisconsin. Buyer's and Seller's obligation to complete the transaction is contingent upon the following:

1. This offer is contingent upon acceptance and approval by the Board of Directors of the South Central Wisconsin Chapter of the American Red Cross and acceptance and approval by the National American Red Cross.
2. Financing. This Offer is contingent upon Buyer obtaining a written commitment for a first mortgage loan against the property from a financial institution of Buyer's choice for an amount and upon terms and conditions acceptable to Buyer, within ninety (90) days following acceptance of this offer.
3. Inspection. This Offer is contingent upon Buyer being granted reasonable access to the property for inspection and approval of the present condition thereof. Such inspection shall be completed within ten (10) days following the removal of financing contingency number two above, and may include the structure, mechanical systems, and an Environmental Phase I Assessment. Such inspections shall be made at Buyer's expense. If Buyer does not approve of the condition of the property, Buyer may, within twenty (20) days after receipt of all inspection reports, void this Offer by written notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller. If Buyer fails to void the Offer within the time provided, this contingency shall be deemed satisfied.
4. Survey. This Offer is contingent upon Buyer being provided within twenty (20) days after acceptance of this Offer, a survey of the property showing its exterior boundaries and the location of all improvements, easements, encroachments, and overlaps. The cost of this survey shall be paid by Seller. If the survey discloses material items inconsistent with previous representations, present uses of the property, the required condition of title under this Offer, or the use contemplated by Buyer, Buyer may, within twenty (20) days after Buyer receives the survey void this Offer by written notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller. If Buyer fails to void the Offer within the time provided, this contingency shall be deemed satisfied.
5. Approval. This Offer is contingent upon the approval of all necessary governmental entities to allow Buyer's intended use of the premises, within thirty (30) days following removal of the financing contingency number two above. If Buyer is unable to obtain such approvals on conditions acceptable to Buyer, Buyer may void this Offer by written

notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller.

6. Land Use. This Offer is contingent upon Buyer securing all permits, conditional use permits, licenses, variances, and/or occupancy permits, for the property for the Buyer's intended use, within thirty (30) days following removal of the financing contingency number two above. The cost of obtaining this shall be at Buyer's expense and Buyer shall be responsible for obtaining it. If this is not obtained, Buyer may void this Offer by written notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller.
7. Facsimile. Parties agree that any signed document transmitted by facsimile machine (herein "fax") shall be treated in all manner and respects as an original document and the signature of any party upon a document transmitted by fax shall be considered an original signature. Any document transmitted by fax shall have the binding legal effect of an original document.
8. Environmental Representations. This Offer is contingent upon Seller furnishing to Buyer within twenty (20) days from the date of acceptance of this Offer, any and all materials and reports that relate in any way to the environmental integrity or condition of the subject property. Buyer shall have twenty (20) days following the receipt of all such materials and reports to review the information and to determine whether or not to have a Phase I and/or Phase II Environmental Assessment prepared or whether or not to void this Offer. Buyer may, at Buyer's option, void this Offer by written notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller. If Buyer determines to have a Phase I or Phase II Environmental Assessment prepared, the same shall be prepared and issued by an environmental firm selected by Buyer and shall be at Buyer's expense. If Buyer determines to have a Phase I or Phase II Environmental Assessment prepared, such assessments shall evidence that the property and its condition do not violate any environmental law, rule, or regulation, and that no remediation is required with respect to the subject property. If any environmental assessments or reports indicate otherwise, Buyer, may within twenty (20) days after receipt of all environmental assessments or reports, void this Offer by written notice delivered personally to Seller or deposited postage or fees prepaid in the U.S. Mail or a commercial delivery system addressed to Seller.
9. Warranties and Representations. In addition to the representations and warranties set forth in the preprinted Offer to Purchase, Seller warrants and represents that Seller has no knowledge that the property is in violation of any state, federal, municipal, or other governmental laws, ordinances, statutes, regulations, and/or rules, including but not limited to environmental laws, statutes, rules, regulations, ordinances, or guidelines; that there are no underground storage tanks on the property; and that there is no friable asbestos or any substance containing asbestos deemed hazardous by federal or state governmental or regulatory authorities in any portion of the premises, and that Seller has

no knowledge or reason to know the existence of any such material in any portion of the premises.

10. Title. This Offer is contingent upon the title evidence which is furnished by Seller to Buyer showing that the property is free and clear of all liens and encumbrances excepting those satisfactory to Buyer and excepting municipal and zoning ordinances, recorded easements for public utilities serving the property, recorded building and use restrictions and covenants, and general taxes levied in the year of closing.

THE AMERICAN RED  
CROSS OF SOUTH CENTRAL  
WISCONSIN

STATE OF WISCONSIN

By:   
Sima Wexler, Chairperson

By: \_\_\_\_\_

By:   
Steve Hansen, Executive Director