October 26, 2021

Matt Mikolajewski, Thomas Otto, Kristine S. Koval

City of Madison

Madison Municipal Building

Suite 312

215 Martin Luther King, Jr. Boulevard

Madison, Wisconsin 53701-2983

**Re: Southeast Business Park, Graham Place Lot, Madison WI**

Matt, Tom and Kris:

I am pleased to present this Letter of Intent on behalf of the South Central Library System and/or its approved Assigns ("Purchaser") for you to consider and enter into negotiations on a Purchase and Sale Agreement (“Agreement”)) for the property located on Graham Pl, Madison, WI, Southeast Business Park (See attached Exhibit A).

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| --- | --- |
|  1. Purchaser:  | The South Central Library System and/or its Assigns, with prior written notice given to Seller for its approval |
| 2. Seller:  | City of Madison, WI (“City”) or “Seller”) |
| 3. Property:  | Southeast Business Park, City of Madison, Lot 3 of Bio Ag Gateway Replat – Certified Survey Map (CSM )# 14524, totaling approximately 160,301 SF, 4.12 Acres of the existing 9.732 Acre Lot. Parcel #: 0710-221-0425-3, 5426 Fen Oak Dr, Madison, WI (4.12 portion of existing 9.732 Acre Lot – 3.62 Acres Developable)See attached site plan of Property in Exhibit A. |
| 4. Purchase Price:  | Purchase Price for the Property shall be $348,480.  |
| 5. Due Diligence:  | Purchaser shall have one hundred and eighty (180) days from the date of the execution of the Purchase and Sale Agreement (“Agreement”) to satisfy itself as to obtaining acceptable financing, title, survey, Certified Survey Map approvals, and any physical, environmental, or governmental conditions and approvals necessary for Purchaser's intent to use the Property (to be further defined in the Agreement “Due Diligence Period"). Seller shall provide all available property related documents (if applicable), plans/drawings, reports, service contracts, leases, etc., currently in its possession to Purchaser within ten (10) business days after the execution of the Agreement.Further, Seller shall provide to Purchaser copies of existing Title Insurance Policy, any existing environmental reports and/or soil reports, and Certified Survey Map upon execution of the Agreement.In the event that municipal approvals are delayed or stalled due to unforeseen events out of the control of either party, the due diligence period shall be extended a commensurate period of time. |
| 6. Tenants:  | None. Property shall not be encumbered by any tenants at the time of sale. |
| 7. Closing Date:  | Closing to occur within (30) days after Purchaser's completion of its Due Diligence Period, or earlier waiver of all contingencies. |
| 8. Closing Costs:  | Purchaser and Seller shall share the closing costs in a manner consistent with the market. Purchaser shall pay for the Lender's Title Policy and any required endorsements and lender’s fees, Seller shall pay for the Owner's Title Policy. |
| 9. Earnest Money Deposit:  | Purchaser will deposit $15,000 with a mutually acceptable title insurance company within five (5) business days of an executed Agreement. In the event of default by Purchaser, Seller may seek to retain the Earnest Money Deposit as its sole remedy. |
| 10. Broker Disclosure:  | Purchaser is an Exclusive Client of Lighthouse Commercial Real Estate LLC. At Closing, Seller will pay a brokerage fee of 4% of the Purchase Price to Lighthouse Commercial Real Estate LLC. |
| 11. Exclusive:  | Seller agrees to withdraw the Property from the market until execution of the Purchase Agreement or negotiations are otherwise terminated, during which time, Seller agrees not to offer the Property or any interest therein, for sale to any other party and to cease all negotiations for the sale of the Property. |
| 12. Construction Contingency:  | Purchaser shall agree to commence construction onsite (this involves “pouring of footings and foundation”) within eighteen (18) months of the date of purchase. In the event Purchaser fails to commence construction in that timeframe, Seller shall have the right, but not the obligation to purchase the Property back at 100% of the Purchase Price plus any reasonable out-of-pocket costs and expenses incurred by Purchaser with respect to site planning and Due Diligence costs but less any of the following costs incurred by Seller: closing fees, brokerage fee to Lighthouse Commercial Real Estate LLC, title and transfer costs. To be further defined in the Purchase and Sale Agreement. |
| 13. Special Assessments: 15. Centennial Tree: | Seller shall pay, or waive, any and all special assessment fees attributable to the portions of Lot 3 purchased, parcel number: 0710-221-0425-3, up to the day of closing. Purchaser is responsible for any future special assessments on the portions of the lots purchased after closing.The City of Madison shall provide the centennial tree in healthy condition. The Purchaser shall develop around the centennial tree at a clear distance not nearer than the tree’s drip line boundary. |
| 14. Draft Agreement: 15. City of Madison Contingencies:16. Site Condition Contingency: | Seller agrees to provide Purchaser with a draft agreement within five (5) business days of Common Council approval of the terms stated herein.1. The Property shall be sold as is, where is.
2. Purchaser is responsible, at Purchaser’s cost, for: ALTA Survey, CSM, MMSD fees, utility hook-up charges, any commercial curb cut driveway apron charges, installation of all private utilities, and any work in the right of way required by City Engineering (if any).
3. Purchaser shall be responsible for any recording costs for any loan documents and deed.

As the city of Madison is providing the site as-is, where-is, the Purchaser retains the right to renegotiate the purchase price in the event that development conditions are not reasonable for Purchaser’s development project. Site conditions may include, but are not limited to, soil conditions, environmental conditions, or other site conditions that have a financial impact on the viability of the Purchaser’s proposed project. |

The purpose of this Letter is to set forth the present mutual intent of Purchaser and Seller to negotiate and attempt to enter into an Agreement. Purchaser understands that an Agreement is subject to City Common Council and Finance approvals (the “City Approvals”). The parties acknowledge and agree that they have not attempted in this Letter to set forth all essential terms of the subject matter of this transaction and such remaining essential terms shall be the subject of further negotiations. Neither Purchaser nor Seller shall be legally bound to purchase or sell the Property unless and until Purchase Agreement containing terms, conditions, and provisions satisfactory to both Purchaser and Seller in the exercise of their sole and absolute subjective discretion has been executed and delivered by both parties. Notwithstanding the foregoing the parties specifically acknowledge and agree that the provisions of this paragraph will be non-binding nor enforceable against the parties. Even though either or both parties may expend substantial efforts and sums in anticipation of entering into a Purchase Agreement (including the efforts and sums involved in Purchaser’s due diligence and legal costs in preparing and negotiating the Purchase Agreement).

Please indicate your acceptance of this Letter of Intent by signing the space provided on the next page and returning this to us at david@lighthousecre.com.

Sincerely,

David N. Haug, Managing Broker

Lighthouse Commercial Real Estate, LLC

Cc: Kerrie Goeden & Martha Van Pelt, South Central Library System

Matt Mikolajewski, Kris Koval, & Tom Otto, City of Madison (via email)

[SIGNATURE PAGE ON NEXT PAGE]

Purchaser and Seller do hereby agree to this Letter of Intent dated October 26, 2021 to enter into negotiations on a Purchase and Sale Agreement for the Properties located in the City of Madison, Dane County, Wisconsin, as described above.

PURCHASER: SOUTH CENTRAL LIBRARY SYSTEM

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

Jaime Healy Plotkin, Board President

SELLER: CITY OF MADISON, WI

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

Matthew B. Mikolajewski, Economic Development Director

**EXHIBIT A**

THE PROPERTY

4.12 portion of existing 9.732 Acre Lot with a Parcel #: 0710-221-0425-3

5426 Fen Oak Drive, Madison, WI

