



June 25, 2025

**CONFIDENTIAL**

City of Sheboygan

Taylor Zeinert

Director of Planning and Development City of Sheboygan\

Re: Approximately 62.35 acres located at the intersection of Stahl Road and South Taylor Drive, in the City of Sheboygan, Wisconsin.

Dear Ms. Zeinert:

This non-binding letter of intent (“**LOI**”) states the basic terms and conditions for the negotiation of a mutually acceptable Purchase and Sale Agreement (“**Agreement**”) for the property described below.

Seller: City of Sheboygan

Purchaser: KBC Advisors – Services, LLC

Property: Approximately 62.35-acres parcels-59281470998 & 59281470999, located at the intersection of Stahl Road and South Taylor Drive, in the City of Sheboygan, Sheboygan County, Wisconsin as depicted on the attached **Exhibit A**. The Property will include the land, buildings, fixtures, and improvements, service and other contracts affecting the Property which Purchaser elects to assume, personal property owned by Seller located on and exclusively used in connection with the operation of the Property and all intangibles (including names, permits, warranties, licenses, and entitlements related to the Property), and be vacant and free of all lease encumbrances.

Earnest Money: Within 5 business days following the effective date of the Agreement, Purchaser will deposit \$1 (the “**Earnest Money**”) with Chicago Title Insurance Company at 701 5<sup>th</sup> Avenue, Suite 2700, Seattle, Washington 98104 (the “**Title Company**”). The Earnest Money will be interest-bearing, refundable prior to the expiration of the Contingency Period but not thereafter unless Seller defaults (and subject to typical condemnation provisions to be defined in the Agreement) and as otherwise provided in the Agreement, and applicable to the Purchase Price at Closing.

Title Insurance: Purchaser will, at Purchaser’s expense, cause the Title Company to deliver to Purchaser a Commitment for Title Insurance, with copies of all exception documents referenced therein.

Survey: Purchaser will have prepared a current ALTA survey of the Property, the cost of which shall be borne by Purchaser. Seller will provide Purchaser with a copy of any existing ALTA survey it has.

Due Diligence Within ten (10) business days after execution of this LOI by Seller, Seller will deliver to Purchaser copies of all documents in Seller’s possession pertaining to the

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Documents:	occupancy, development, ownership, or operation of the Property, including existing title policies and exceptions, site plans, leases, contracts, surveys, drawings, tax bills, zoning information, operating expense, environmental reports and geotechnical reports.
Contingency Period:	Purchaser will have a 210-day period commencing on the effective date of the Agreement (the “ <b>Contingency Period</b> ”) to inspect all aspects of the Property and to determine in Purchaser’s sole discretion whether the Property is suitable for Purchaser’s intended use. Purchaser may extend the Contingency Period for 1 additional period(s) of 15 days each, by delivering written notice to Seller and depositing with the Title Company an extension fee of \$2,000 per extension (the “ <b>Extension Fees</b> ”) prior to the expiration of the Contingency Period then in effect. The Extension Fee(s) will be non-refundable to Purchaser, but applicable to the Purchase Price at Closing. At any time prior to the expiration of the Contingency Period, Purchaser may, in its sole discretion, terminate the Agreement for any reason and receive back the Earnest Money but not any Extension Fees. The Agreement will automatically terminate unless Purchaser delivers written notice to Seller that Purchaser has satisfied or waived the contingency on or prior to expiration of the Contingency Period, in which event the Earnest Money, together with interest thereon, but not any Extension Fees will be refunded to Purchaser. In such event, the Extensions Fees, with interest thereon, will be paid to Seller. However, if the Agreement is terminated due to a Seller default, the Extension Fees will be refunded to Purchaser.
Access and Testing:	During the negotiation of the Agreement, Seller and Purchaser will execute a mutually agreeable access agreement permitting Purchaser and its agents access the Property for purposes of inspecting the Property. The access agreement will include provisions for insurance and indemnity covering the activities of Purchaser and its contractors, agents and employees.
Closing:	The Closing will take place on or before the 30th day following the later of (a) expiration of the Contingency Period (as the same may be extended) or (b) Buyer’s receipt of all final, non-appealable governmental approvals, permits, entitlements, and consents necessary for the development of the Property. The Seller will deliver to Purchaser at Closing a Warranty Deed conveying to Purchaser fee simple title to the Property free and clear of all matters affecting title except for the permitted exceptions approved by Purchaser pursuant to the Agreement.
Closing Conditions:	In addition to other customary closing conditions, Purchaser’s obligation to Close is conditioned upon Purchaser’s receipt of the Approvals.
Costs:	Closing costs will be apportioned between Purchaser and Seller in a manner consistent with market convention, to be described in the Agreement. Each party will pay its own attorneys’ fees. Realty transfer taxes will be split equally between Seller and Purchaser.
Assignment:	Purchaser may assign the Agreement to an affiliate of Purchaser or a developer or capital partner under contract to develop the Property on behalf of Purchaser

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without Seller's consent. Purchaser shall be responsible for any transfer taxes due as a result of any assignment.

**Brokerage Commission:** Seller will pay to KBC Advisors/Cushman & Wakefield (Boerke) ("Broker") at Closing a single brokerage commission pursuant to a separate agreement to be negotiated between Seller and the Broker within 30 days of the date of this LOI.

**Exclusivity:** For a period of 30 days following the date of this LOI and during the term of the Agreement (if executed), Seller will not negotiate, or enter into, any agreement pertaining to the sale, exchange, lease or transfer of all or any portion of the Property to any person or entity other than Purchaser, and will not enter into or extend any service or other agreements relating to the Property that cannot be terminated at Closing.

**Confidentiality:** Seller and Purchaser each agree to abide by the separately executed Nondisclosure Agreement.

**Authority:** Seller has all requisite power and authority to enter into this LOI and perform its obligations pursuant to the Agreement (if executed). No consent, approval, order or authorization of any third party on the part of Seller is required in connection with this LOI.

**Limiting Conditions:** This LOI is intended to support negotiation of a mutually satisfactory Agreement. Except for the party's obligations for Exclusivity and Confidentiality stated above, this LOI is not legally binding upon the parties, and no liability or obligation of any kind is intended to be created in this LOI. The Agreement (or any other agreements between the parties) will not be binding and in effect unless duly executed and delivered by both Purchaser and Seller (in their respective sole discretion). Neither party nor the Brokers will have any liability for any expenses the other party incurs in anticipation of the Agreement or in replying to this LOI.

The offer represented by this LOI will expire if not accepted on or before one week after the date of this letter.

If this LOI meets with your approval, please indicate Seller's acceptance of the same by signing below, and return one executed copy to us.

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If you have any questions, please feel free to contact me. Thank you for your consideration.

KBC Advisors

AGREED AND ACCEPTED:

Seller: City of Sheboygan

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Exhibit A

