

AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE
AT 2023 WASHINGTON STREET, CITY OF TWO RIVERS

WHEREAS, The City of Two Rivers (“City”) and Wine Not LLC (“Buyer”) entered into an AGREEMENT FOR SALE OF REAL ESTATE (the “Agreement”) dated April 28, 2022, attached hereto as Exhibit A; and

WHEREAS, said Agreement provided for the sale by the City to the Buyer, for the sum of ten thousand dollars (\$10,000.00), of the following property located at 2023 Washington Street in Two Rivers (the “Property”);

Parcel Number 053-000-037-060.09, more particularly described as Original Plat, Lot 6, Block 37 in the City of Two Rivers, Manitowoc County, Wisconsin.

WHEREAS, the sale of the Property, per the terms of the Agreement, also closed on April 28, 2022;

WHEREAS, said Agreement also included certain conditions to be met by the Buyer, such conditions related to the City’s intent that this long-vacant downtown commercial property, acquired by the City to facilitate its redevelopment, be successfully redeveloped in a timely manner; and

WHEREAS, Buyer proceeded, in good faith, to pursue redevelopment plans for the Property, including preparation of site and architectural plans that were approved by the City’s Plan Commission on November 14, 2022, investigation and abatement of asbestos contained in the structure, before ultimately determining that it was not feasible to renovate the existing building, whereupon it was demolished; and

WHEREAS, the City and the Buyer hereby acknowledge that, as of the date of this Amendment Agreement, certain of the conditions contained in the Agreement have not been met by the Buyer, specifically:

Completion of the redevelopment of the Property, consistent with City-approved plans, which the original Agreement required by September 30, 2023, a deadline twice extended by action of the City Council upon request of the Buyer, to December 31, 2023 (extension approved June 19, 2023) and to July 31, 2024 (extension approved September 25, 2023); and

Buyer providing the City with documentation of expenditures made in satisfaction of Section 4.D, of the Agreement, totaling at least one hundred thousand dollars

(\$100,000.00), by September 30, 2023, a deadline once extended by action of the City Council, upon request of the Buyer, to December 31, 2023 (extension approved September 25, 2023); and

WHEREAS, said Agreement also provides for certain remedies should Buyer fail to meet these conditions, including:

1. In the event the Developer does not timely complete its redevelopment of the Property consistent with the City-approved plans, ownership of the property shall revert to the City upon the City's notice to the Buyer.
2. In the event the Developer does not provide the City with documentation, to the City's reasonable satisfaction, of expenditures made in satisfaction of the investment requirements stated in Section 4.D. of the Agreement, in the amount of at least one hundred thousand dollars (\$100,000.00), then Buyer shall be required to pay to the City a sum equal to the difference between one hundred thousand dollars (\$100,000.00) and the amount of such documented investment; and

WHEREAS, Developer has requested that the City consider modifying the terms of said Agreement, to recognize the unanticipated problems encountered by the Developer in pursuing the redevelopment of the Property, to allow the Developer additional time to redevelop or sell the Property to recoup Developer's investment in the Property to date, and to relieve the Developer of the required payment to the City, should its investment in the Property fall short of the \$100,000.00 investment currently required under the Agreement;

NOW, THEREFORE, THE CITY AND THE BUYER HEREBY AGREE AS FOLLOWS:

1. Terms of the Agreement are hereby modified as stated below (the "Amendment").
2. City retains certain rights to the Property, as hereinafter provided.
3. Based on documentation submitted by the Buyer, the City hereby acknowledges that Buyer has, during its ownership of the Property, invested the sum of **\$48,271.81** toward satisfaction of the investment requirements stated in Section 4D of the Agreement. This amount represents the purchase price of \$10,000, plus investments consistent with the terms of the Agreement.
4. In consideration for the City's agreement to amend the Agreement as stated herein, the Buyer agrees to the following:

- A. Buyer shall list the property for sale with a licensed Wisconsin broker and shall provide the City with a copy of the listing agreement. Such listing shall be effective not later than 30 days following the date signing of this Amendment.
- B. Buyer grants the City a Right of First Refusal on the Property; on the date Buyer executes this Amendment, Buyer shall also execute a Right of First Refusal Agreement with the City, in the form attached hereto as Exhibit B.
- C. Should Buyer sell the Property during the term of this Amendment, it shall have the right to maintain Net Proceeds from closing in an amount up to \$48,271.81. "Net Proceeds" is defined as purchase price less realtor commission, title insurance and usual and customary closing costs. Any Net Proceeds in excess of \$48,271.81 shall be shared with the City, with one-third of such Net Proceeds to be retained by Buyer and two-thirds paid to the City at closing. Buyer shall provide the City with a copy of the closing statement for such sale at least five (5) business days in advance of the closing, and City approval of the closing statement shall be required as a condition of closing. Such approval by the City shall not be unreasonably withheld.
- D. If Buyer has not sold the Property by December 31, 2025, then the City shall have an exclusive option, commencing on January 1, 2026, to purchase the Property for ten thousand dollars (\$10,000.00), provided the City provides Buyer with notice of its intent to exercise such option by January 31, 2026. Closing shall take place within 60 days of the exercise of such option by the City.
- E. If Buyer sells the Property to another party, in a manner that complies with all terms of this Amendment Agreement (including but not limited to notice to the City under Right of First Refusal and sharing of sale proceeds as provided herein), then neither the City nor the Buyer shall have any remaining obligations under this Amendment or the Agreement.
- F. If Buyer has not sold the Property by December 31, 2025, and the City has not notified Buyer of the City's intent to exercise its above-cited Option to Purchase by January 31, 2026, then neither the City nor the Buyer shall have any remaining obligations under this Amendment or the Agreement.

Signatures on next page.

Executed this _____ day of January, 2025.

City of Two Rivers

Wine Not LLC

Gregory E. Buckley, City Manager

By: _____
Title: _____

Amanda Baryenbruch, City Clerk

By: _____
Title: _____