

**FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY**

October 18, 2023

Mayor Charlene Klein
City Council Members
City Staff (Administrator, Attorney, Clerk)
City of Lake Geneva
626 Geneva Street
Lake Geneva, Wisconsin 53147

Dear Mayor Klein, City Council Members & Staff:

The purpose of this letter is to set forth a summary of the principal economic and legal terms upon which Geneva Lakes Family YMCA (Purchaser) proposes to acquire a part the real estate known as the former Hillmoor Golf Course located at 333 E. Main Street in Lake Geneva. The proposed acquisition by the Purchaser would include approximately thirty-eight (38) acres of land located north of East Main Street and west of Peller Road in the City of Lake Geneva. The property is further described as part of certain Permanent Property Index Numbers known as:

ZYUP 00131 (79.10 acres)

In summary, the proposed transaction is as follows:

1. **Purchase Price:** To be determined by means of an appraisal value agreed upon by both Purchaser and the City of Lake Geneva. Purchase price is to be payable in cash at the time of Closing.
2. **Earnest Money:** Upon execution of a Purchase and Sale Agreement on terms acceptable to Purchaser and Seller (the Effective Date), Purchaser will deposit Twenty Thousand Dollars (\$20,000.00) into a joint order escrow account with the Elkhorn office of Chicago Title Insurance Company. All Earnest Money will be applicable to the Purchase Price and fully refundable if Purchaser elects to terminate the contract prior to the Due Diligence/Land Use Modification Period(s) expiration dates.
3. **Preconditions to Closing:** The Purchaser's intended use of the site is for the development of a new facility for the Geneva Lakes Family YMCA and would likely require a re-zoning with the City of Lake Geneva to accommodate the intended use.

The current City of Lake Geneva Zoning map reflects the parcel being zoned Rural Holding (RH) in the City of Lake Geneva. Purchaser's obligation to Close the purchase of the Property shall be subject to the satisfaction of the following conditions (Due Diligence Items/Land Use Approval):

- a. Purchaser shall have sixty (60) days (Due Diligence/Inspection Period) from the Effective Date to conduct any and all studies and/or investigations as Purchaser deems necessary, to Purchaser's sole satisfaction, including but not limited to engineering studies, building inspections, soil analysis, core drilling, zoning studies, mechanical studies, sewer studies, environmental and ecological studies, economic studies and conduct any and all physical inspections of the Property and an investigation as to the status of title of the Property. Seller shall cooperate with Purchaser in making such inspections and allow Purchaser full access during reasonable business hours to the Property for the purpose of such inspections.

Purchaser shall review and either accept or reject, in its sole and absolute discretion the findings from these documents within the sixty (60) Day Due Diligence Period. In the event of the failure on the part of Purchaser to affirmatively waive this contingency in writing on or before the Sixtieth (60th) day, this Contract shall be deemed null and void and all earnest money shall be returned to Purchaser.

- b. Seller will deliver the following documents within Fifteen (15) days of contract execution: a) a commitment for Owner's ALTA Title Insurance Policy 1992 Form B with extended coverage ("Commitment") issued by Chicago Title Insurance Company ("Title Company") setting forth the state of title to the Property and all exceptions and restrictions of record including deed restrictions, liens and covenants, it being expressly understood that, notwithstanding anything herein contained to the contrary, Seller shall be responsible for satisfying all requirements for the issuance of extended coverage over standard exceptions and shall pay all premiums therefore. Along with such Commitment, the Title Company shall also furnish Purchaser with copies of all documents affecting the Property and reflected in the Commitment ("Title Documents"); b) copies of any and all, Preliminary Plats, Landscape Drawings, Engineering Drawings, Land Plans, Architectural Drawings, Market Feasibility Studies, Soils Studies Documents, Traffic Studies, Environmental Documents, Historic Preservation Documents, County Water Drainage and Management Documents, Wetland Reports/Studies, WDOT Documents, Wisconsin Department of Natural Resources Documents, U.S. Army Corp. of Engineer Documents, and all Permits and/or Permit Applications from all Governmental Agencies having jurisdiction over the Property;
- c. The Property is being purchased subject to the Purchaser obtaining approval from the City of Lake Geneva for the development of a new facility for the Geneva Lakes Family YMCA to include, but not be limited to, a main building and potentially outdoor recreation areas, together with any special/conditional use permits and variances, curb cuts on any adjacent Roadways, re-subdivision, all necessary parking requirements, signage requirements and storm water management requirements for said project and/or any other approvals that Purchaser May require in its sole and absolute discretion, from the City of Lake Geneva and/or the County of Walworth and/or other local, state or federal entities, for the development of the property within


the time set forth below (hereinafter referred to collectively as "Approvals for Land Use Modifications). If Purchaser does not terminate this Agreement prior to the expiration of the Due Diligence/Inspection Period, Purchaser shall have one hundred eighty (180) days from the expiration of the Due Diligence/Inspection Period (the "Land Use Modification Approval Period") in which to obtain the Approvals for Land Use Modifications. Any and all cost and expenses incurred in connection with such Approvals for Land Use Modifications shall be borne by the Purchaser. Seller shall cooperate fully with Purchaser and with any and all local, State and Federal entities in regard to the Approvals for Land Use Modifications and shall execute all documents required by Purchaser in connection therewith in compliance with all applicable governmental laws, ordinances and regulations.

In the event that the proposed development is not approved by the City of Lake Geneva and/or the County of Walworth, the Purchase Agreement shall be declared void and any and all Earnest Money shall be returned to Purchaser.

4. **Title and Other Documents:** Seller shall deliver at closing to Purchaser, at Seller's expense, an ALTA owner's policy of title insurance with full-extended coverage, and such other documents and instruments as are normal and customary in such real estate transactions. Seller covenants, warrants and represents to Purchaser, to the best of Seller's knowledge, as of the date hereof and at Closing, that Seller owns fee simple title to the Property; that no third party has any right to or interest in the Property; that all encumbrances will be paid from the proceeds of the Purchase Price and released at Closing; that there are no hazardous or toxic substances on the Property and the Property has not been used as a landfill or waste facility; that there are no underground storage tanks on the Property; and the Seller will not enter into any agreements with respect to the Property between the date hereof and the Closing Date without Purchaser's prior written approval.
7. **Survey:** The Purchaser shall be responsible for obtaining a survey for the property at the sole cost of the Purchaser. The boundaries of the survey shall be mutually agreed upon by the City of Lake Geneva and the Purchaser.
8. **Agricultural Lease or Other Leases:** The Purchaser and Seller hereby acknowledge that the property may be currently Leased for agricultural production or other uses. In the event that the Purchaser's Due Diligence activities results in disturbance of the crops on the property, the Purchaser shall be responsible for any and all reimbursement to the tenant farmer for loss of crops.
9. **Closing:** The Closing shall occur within Thirty (30) days following the expiration of the Due Diligence/Land Use Approval Period as defined above. All escrow charges for the deed and money escrow shall be borne equally by the parties. The Purchaser will be responsible for any charges for Mortgage escrow.
10. **Brokers:** Both Seller and Purchaser acknowledge there are Real Estate Brokers involved in this transaction.

11. **Final Contract:** The obligations of Seller and Purchaser to close the transaction described in this letter are expressly conditioned on the parties entering into a definitive written Purchase Agreement. The parties will work in good faith to finalize a written Purchase Agreement on or before November 24, 2023.
12. **Other Offers:** Seller agrees to entertain no other offers to purchase the property after the date of the acceptance of this letter of intent; provided, however, that this provision will be considered void if a definitive Purchase Agreement is not entered into between the parties by November 24, 2023.
13. **Confidentiality Agreement:** Purchaser agrees to sign a confidentiality agreement and further to make no disclosure with regard to this transaction upon signing of the within letter of intent.
14. **Non-Binding Nature:** This agreement shall in no way be considered to be binding in its terms and is specifically subject to the execution of a binding Purchase Agreement as provided for herein.
15. **Expiration:** This Letter of Intent shall expire at 5:00 P.M. on Friday, November 10, 2023, if not accepted by Seller by such time.

Sincerely yours,



Mr. Mike Kramp
Geneva Lakes Family YMCA
203 S. Wells Street
Lake Geneva, Wisconsin

Acceptance

This letter of intent and the terms contained herein are accepted by the Seller,

_____, this _____ day of _____, 2023.
