

It is expected that a Quorum of the Personnel Committee, Board of Public Works, and Common Council will be attending this meeting: (although it is not expected that any official action of any of those bodies will be taken)

**CITY OF MENASHA
ADMINISTRATION COMMITTEE
Third Floor Council Chambers
140 Main Street, Menasha
September 4, 2012
6:30 PM
or immediately following Common Council
AGENDA**

A. CALL TO ORDER

B. ROLL CALL/EXCUSED ABSENCES

C. MINUTES TO APPROVE

1. [Administration Committee, 8/20/12](#)

D. DISCUSSION/ACTION ITEMS

1. [Liability Insurance – CVMIC Update/Renewal](#)
2. [Offer to Purchase – Trident Real Estate LLC – Lot 4 Midway Business Park](#)
3. [Revisions to US Cellular Cell Phone Contract](#)
4. [Variance request for Clean Water Fund Loan from Wisconsin Department of Administration for Neenah-Menasha Sewerage Commission Project No. N0008-910101.21](#)
5. [Resolution Authorizing Execution of Agency Agreement between the Neenah-Menasha Sewerage Commission and the City of Neenah, City of Menasha, Town of Menasha, Town of Neenah Sanitary District No. 2 and Waverly Sanitary District of the Town of Harrison](#)

E. ADJOURNMENT

"Menasha is committed to its diverse population. Our Non-English speaking population and those with disabilities are invited to contact the Menasha City Clerk at 967-3603 24-hours in advance of the meeting for the City to arrange special accommodations."

CITY OF MENASHA
ADMINISTRATION COMMITTEE
Third Floor Council Chambers
140 Main Street, Menasha
August 20, 2012
MINUTES

A. CALL TO ORDER

Meeting called to order by Chairman Klein at 6:15 p.m.

B. ROLL CALL/EXCUSED ABSENCES

PRESENT: Aldermen Klein, Taylor Sevenich, Langdon, Krueger, Zelinski, Englebert

EXCUSED: Alderman Benner

ALSO PRESENT: Mayor Merkes, CA/HRD Captain, PC Styka, FC Auxier, DPW Radtke, CDD Keil, C/T Stoffel, LD Lenz, Clerk Galeazzi and the Press.

C. MINUTES TO APPROVE

1. [Administration Committee, 8/6/12](#)

Moved by Ald. Langdon, seconded by Ald. Krueger to approve minutes.

Motion carried on voice vote.

D. DISCUSSION/ACTION ITEMS

1. [Disposition of NMFR Station 36, 901 Airport Road, including Offer to Purchase—Endter Investment, LLC \(Ald. Klein\)](#)

CDD Keil gave a brief update on the status of the Offer to Purchases from Endter Investment and FP One. FP One declined the counter-offer from the City. Endter Investment is still interested in the property.

Moved by Ald. Zelinski, seconded by Ald. Krueger to recommend to Common Council to counter-offer to Endter Investments for \$125,000, the property as is, acceptable environmental report and they should respond within two weeks of the offer.

General discussion ensued on the terms of the counter-offer.

Ald. Krueger stated he will be abstaining.

Moved by Ald. Zelinski, seconded by Ald. Klein to amend to include in the counter-offer that occupancy should be within six months of purchase.

Motion on amendment carried on roll call 5-1.

Ald. Klein, Taylor, Sevenich, Langdon, Zelinski – yes

Ald. Englebert – no

Ald. Krueger - abstain

Motion to recommend to Common Council to counter-offer to Endter Investment for \$125,000, property as is, acceptable environmental report, occupancy should be within six months of purchase, and respond to counter-offer within two weeks carried on roll call 5-1

Ald. Klein, Taylor, Sevenich, Langdon, Zelinski – yes

Ald. Englebert – no

Ald. Krueger - abstain

E. ADJOURNMENT

Moved by Ald. Langdon, seconded by Ald. Zelinski to adjourn at 6:45 p.m.

Motion carried on voice vote.

Respectfully submitted by Deborah A. Galeazzi, WCMC, City Clerk



MEMORANDUM

Date: August 28, 2012
To: Administration Committee
From: Pamela A. Captain, City Attorney
RE: CVMIC Update/Renewal

We are in the process of preparing for and submitting renewal applications for liability insurance for 2013.

Included with this memo is the 2012 Liability Dividend Report, with attachments, dated July 20, 2012.

LIABILITY COVERAGE

Renewal

You may recall that liability insurance renewal commitment for Cities and Villages Mutual Insurance Company (CVMIC) members for the 2013 policy year is already committed. See Resolution R-32-11 adopted August 15, 2011. As a reminder, based on the City's current self-insured retention amount (\$25,000), the premium quoted amount for 2013 is \$50,752. No further action is required.

Dividend

The CVMIC board has declared a dividend at its May 16th Board of Directors Meeting payable March 1, 2013 and is requesting payment instructions. Generally, the City requests that the dividend be paid at its earliest date.

Recommended action: Motion to Recommend Option 1 to the common council, payment of CVMIC dividends to Menasha on March 1, 2013.

AUTO PHYSICAL DAMAGE

For your information please review the attached 2012 Auto Physical Damage Dividend Recommendation indicating a 2012 APD dividend payable 3/1/2013 in the amount of \$4,876.00. No further action is required.

2012 STRATEGIC PLANNING MEETING

At your convenience attached for your review is a written report generated from the April 2012 CVMIC strategic planning meeting along with a copy of CVMIC Mission Statement, Vision Statement, Core Values and Strategic Objectives.

NEW POLICY OFFERINGS

At the CVMIC summer meeting, new insurance policy offerings were introduced.

- Crime/Employee Dishonesty/POBS
- Blanket Environmental Liability & UST's
- Cyber Risk Liability
- Volunteers' Medical & Accidental Death and Dismemberment
- Government Property Insurance

Further information and recommendations is expected to be provided at the September 10th meeting.

2013 PREMIUM PROJECTIONS AS OF 8/28/12

Attached for your information are the 2013 premium projections we are working with for initial budgeting purposes.

Cities and Villages Mutual Insurance Company

DATE: July 20, 2012

TO: Ms. Pamela Captain, City of Menasha

FROM: Mike DeMoss, Executive Director
Ken Horner, Director of Operations

RE: 2012 Liability Dividend Report

The purpose of this letter is to provide information regarding payment of the fifth (5th) liability program dividend to be paid directly to its members. This packet includes the following information:

- 2012 Liability Program Dividend Recommendation.
- The Equity Ownership Calculation for your community.
- Notification of Liability Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/2011. Note: This document includes the amount of the dividend to be paid to your community.

We feel it is important that all members understand the dividend process. This letter will be distributed as part of a presentation at the 2012 Summer Meeting and will be sent via email to all member representatives that do not attend the Summer Meeting. If you have any questions, or if any aspect of the process is unclear, please do not hesitate ask for clarification.

On May 16, 2012, the CVMIC Board of Directors approved the liability program dividend in the amount of \$1,426,000. This dividend was based upon 12/31/11 operating results and will be paid March 1, 2013. The attached 2012 Liability Dividend Recommendation outlines the criteria the Board followed in declaring the current dividend. It is the Board's intent to comply with these criteria when considering future liability program dividends.

The Equity Ownership Calculation was adopted by the membership at the 1993 Summer Meeting and has been reviewed with the membership periodically since that time. The equity calculation establishes your community's percentage ownership of the Company. Your community's share of the total dividend was determined by multiplying the total dividend declared by your ownership percentage. This amount is shown on the attached "Notification of Liability Dividend Declared for the Policy Year Ending 12/31/2011".

Each member has the option of determining when they receive the dividend payment. A copy of the "Notification of Liability Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/11" form is attached. Please review this form and return it to the CVMIC office no later than November 1, 2012. If you fail to return the form signed by the Member Representative, Mayor or other individual with the authority to sign on behalf of your community by the stated deadline, payment will be issued based on Option 1. You are encouraged to review this form and contact Mike DeMoss or Ken Horner if you have any questions.

One of the primary goals at the 2012 Summer Meeting is to review the member equity calculation and the dividend process. It is important that members understand the methodology used to pay dividends for the liability program. If you have any questions regarding this process or need additional information, please feel free to contact Mike DeMoss or Ken Horner at the CVMIC office at your convenience.

Michael L. DeMoss, Executive Director

Direct: 414-831-5999

Email: mld@cvmic.com

Kenneth A. Horner, Director of Operations

Direct: 414-831-6000

Email: kah@cvmic.com

2012 Liability Program Dividend Recommendation

Background

In 1988 Cities and Villages Mutual Insurance Company (CVMIC) began writing liability coverage for 25 cities and villages in the State of Wisconsin. When the company was formed, the Wisconsin Municipal Insurance Company (WMIC) issued and sold \$28,645,000 Wisconsin Municipal Commission Revenue Bond, Series 1987. This bond was refinanced by the \$22,860,000 Taxable Revenue Refunding Bond, Series 1997. The final payment on the bond was made on April 1, 2007. All principal and interest payments were made by CVMIC on behalf of the members.

The Board of Directors developed a methodology that balanced the desire to maximize member dividends and build surplus to target levels. The first dividend was based on year-end 2008 operating results declared in 2009 and was paid March 1, 2010. A similar process is outlined below for calendar year 2010.

2012 Liability Program Dividend Recommendation

1. As part of closing of the books at the end of each fiscal, staff develops an estimate of the funds to be set aside as Dividend's Declared and Unpaid. For the year ending December 31, 2011 it is our recommendation that \$1,426,000 be set aside for this purpose. This represents an approximate 3% increase in the liability dividend from December 31, 2010.
2. There are additional steps to be completed before the dividend can be declared. These steps include:
 - a. Completion of the 2011 financial audit by Clifton Larson Allen LLP.
 - b. Actuarial review and approval of reserves shown on the Annual Statement (Bickmore Risk Services).
 - c. Approval of the year-end 2011 Equity Calculation by the Board of Directors.
3. Bickmore Risk Services has completed its review of the 12-31-11 financial and loss picture of the company. Based on this review they developed a Liability Dividend recommendation for the Board of Directors.
4. The financial audit, equity study and dividend recommendation each require Board review and approval. We anticipate these steps will be completed and a final dividend recommendation presented to the Board for review and approval at the May Board meeting. The Board will have an opportunity to review this recommendation to ensure the allocation of available funds between dividends and surplus is consistent with their long term strategy.
5. Staff will prepare a report to the membership for the summer meeting detailing each member's share of the declared dividend.

Equity Ownership Calculation-2011 MENASHA

| | Premium-(A) | Claims-(B) | SIR-(C) ☺ | | |
|--------------|--------------------|------------------|------------------|--------------------------|--------------|
| 1988 | \$73,925 | \$0 | \$10,000 | | |
| 1989 | \$73,925 | \$0 | \$10,000 | | |
| 1990 | \$73,925 | \$0 | \$10,000 | | |
| 1991 | \$39,272 | \$43,308 | \$17,500 | | |
| 1992 | \$40,341 | \$0 | \$17,500 | | |
| 1993 | \$41,702 | \$7,882 | \$17,500 | | |
| 1994 | \$33,749 | \$79,552 | \$25,000 | | |
| 1995 | \$34,593 | \$0 | \$25,000 | | |
| 1996 | \$35,458 | \$8,140 | \$25,000 | | |
| 1997 | \$37,231 | \$0 | \$25,000 | | |
| 1998 | \$38,162 | \$0 | \$25,000 | Bond-(D) | \$1,031,220 |
| 1999 | \$39,116 | \$0 | \$25,000 | CVMIC Net Premium-(F) | \$63,908,689 |
| 2000 | \$39,767 | \$0 | \$25,000 | CVMIC SIR-(H) | \$44,870,000 |
| 2001 | \$40,562 | \$0 | \$25,000 | CVMIC Bond-(J) | \$42,175,723 |
| 2002 | \$41,373 | \$55,885 | \$25,000 | Total Assets - Other-(M) | \$16,963,125 |
| 2003 | \$41,787 | \$0 | \$25,000 | Total Assets - Bond-(N) | \$25,000,000 |
| 2004 | \$42,832 | \$0 | \$25,000 | Total Assets-(O) | \$41,963,125 |
| 2005 | \$43,560 | \$0 | \$25,000 | | |
| 2006 | \$44,649 | \$26,331 | \$25,000 | | |
| 2007 | \$47,250 | \$0 | \$25,000 | | |
| 2008 | \$48,432 | \$0 | \$25,000 | | |
| 2009 | \$46,623 | \$0 | \$25,000 | | |
| 2010 | \$47,672 | \$12,000 | \$25,000 | | |
| 2011 | \$48,782 | \$0 | \$25,000 | | |
| Total | \$1,094,688 | \$233,098 | \$532,500 | | |

Other Assets Calculation

Premium Calculation

| | |
|--------------------------|--------------|
| Member Premium-(A) | \$1,094,688 |
| 15% of Claims-(B-1) | \$34,965 |
| Member Net Premium-(E) | \$1,059,723 |
| CVMIC Net Premium-(F) | \$63,908,689 |
| Percentage Ownership-(G) | 1.658% |

SIR Calculation

| | |
|--------------------------|--------------|
| Member SIR-(C) | \$532,500 |
| CVMIC SIR-(H) | \$44,870,000 |
| Percentage Ownership-(I) | 1.187% |

Other asset Ownership Percentage:-(L)

1.517%

Bond Surplus Calculation

| | |
|--------------------------|--------------|
| Member Bond-(D) | \$1,031,220 |
| CVMIC Bond-(J) | \$42,175,723 |
| Percentage Ownership-(K) | 2.445% |

Equity Calculation

| | Total Assets | Member Ownership Percentage | Members Ownership of Total Assets |
|---------------|-------------------------|-----------------------------|-----------------------------------|
| Other Assets | \$16,963,125 (M) | 1.517% (L) | \$257,289 (P) |
| Bond Proceeds | \$25,000,000 (N) | 2.445% (K) | \$611,264 (Q) |
| Total | \$41,963,125 (O) | 2.070% (S) | \$868,553 (R) |

| Original Principal Amount-(D) | Principal Paid-(T) | Principal Amount Outstanding (12/31/10)-(U) | Member WMIC Bond Obligation (V) | Due from Other Governments - (W) |
|-------------------------------|--------------------|---|---------------------------------|----------------------------------|
| \$1,031,220 | \$1,031,220 | \$0 | \$0 | \$0 |

NOTES FOR EQUITY OWNERSHIP – CALCULATION STEPS

Data Used for Calculation:

- A. Total premium paid to CVMIC for all years.
- B. Total incurred claims (paid & reserved including expenses) excess of a member's SIR.
- B-1. 15% of incurred claims excess of Member's SIR.
- C. Total per occurrence SIR for all years.
- D. Bond delivered to CVMIC at the time of joining.
- E.* Member's Net Premium equals Member's Premium (A) minus 15% of Claims (B1).
- F. CVMIC Net Premium equals the total of all premium collect for all years, minus 15% of all incurred claims (paid and reserved including expenses) excess of a Member's SIR for all years.
- G. Other Assets – Premium Calculation Percentage Ownership is developed by dividing the Member's Net Premium (E) by CVMIC's Net Premium (F).
- H. CVMIC SIR is the total per-occurrence SIR for all years, for all Members.
- I. Other Assets SIR Calculation – Percentage Ownership is developed by dividing the Member SIR (C) by CVMIC SIR (H).
- J. Bonds delivered to CVMIC by all Members.
- K.* Bond Surplus Calculation – Percentage Ownership is developed by dividing the Member Bond (D) by CVMIC Bonds (J).
- L. Other Asset Ownership Percentage is developed by taking Other Assets – Premium Calculation Percentage Ownership (G) multiplied by seven-tenths (.7), plus other Assets – SIR Calculation – Ownership Calculation (I) multiplied by three tenths (.3).
- M. Other Assets – Amount of assets earned excess of Bond Proceeds.
- N. Bond Proceeds - \$25,000,000.
- O. Total Assets equals Bond Proceeds (N) plus other Assets (M) as of 12/31/11.
- P. Other Assets – Members Ownership of Total Assets is developed by taking other Assets – Total Assets (M) multiplied by Other Assets – Member Ownership Percentage (L).
- Q. Total Member's Ownership of Total Assets is developed by adding Other Assets – Member Ownership of Total Assets (P) plus Bond Proceeds – Member Ownership of Total Assets (R).
- R. Total Member Ownership Percentage is developed by dividing the Total Member's Ownership of Total Assets (R) by the Total Assets (O).
- S. Bond Proceeds – Member's Ownership of Total Assets is developed by taking Bond Proceeds – Total Assets (N) multiplied by Bond Proceeds – Ownership Percentage (K).
- T. Principal Paid is the amount of Bond that has been retired.
- U. Principal Amount Outstanding is the current audited Bond Balance as of 12/31/11.
- V. Member's WMIC Bond Obligation is developed by subtracting the Principal Amount Outstanding (U) on the Member's Bond from the Bond Obligation due from other governments (W).
- W. Balance due from Other Governments is the amount shown in the WMIC audited financials as due to other governments.

*Refer to CVMIC Fundamental Principals of Capitalization and Equity Ownership.

EVERY EFFORT HAS BEEN MADE TO PRESENT AN ACCURATE CALCULATION; HOWEVER, THERE MAY BE MINOR ERRORS OR DISCREPANCIES DUE TO ROUNDING.

City of Menasha

**Notification of Liability Dividend Declared
by the Board of Directors
for the Policy Year Ending 12/31/11**

The Liability dividend calculation is based on the General Liability, Auto Liability, Excess Liability, Public Official Liability and Law Enforcement Liability Coverage's.

The Liability dividend paid to your community is based on the Member Ownership Percentage (Item S) that is derived from the Equity Ownership Calculation for your community as of 12/31/11. An Equity Ownership Calculation worksheet is attached. The calculation is updated annually as of December 31st.

Dividend Authority: Section 9. Dividends from the by-laws states "The Board of Directors may declare dividends from surplus held in excess of all liabilities. Dividends shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy".

Recommended Dividend: Staff recommended to the Board of Directors a total dividend of \$1,426,000. This recommendation has been reviewed and approved by the company's actuary prior to the final approval by the Board of Directors. This dividend was approved by the Board of Directors at their May 8th 2012 Board of Directors Meeting to be payable March 1, 2013. Your community's share of this declared dividend is \$29,512.00. This is based on the total dividend approved, multiplied by your percentage of ownership of CVMIC (2.070%), which equals your dividend as of 12/31/11.

Dividend Options: As part of this Liability Dividend declared by the Board of Directors, there are three payment options available to your community. The intention of these options is to provide your community with the broadest possible financial choices. These options are outlined below. **We request that the Member Representative sign, date and return this notification to CVMIC by November 1, 2012.** If this form is not returned by 11/1/12, CVMIC will pay the dividend as outlined in Option One. *Note: Option One is the default option if CVMIC has not received this signed form.*

The City of Menasha has reviewed the dividend options that are available and instructs the CVMIC staff to account for the dividend as marked.

Option 1 - _____ Pay all dividends to my community on March 1, 2013.

Option 2 - _____ Pay all declared dividends to my community as soon as possible after _____ (specify date).

Option 3 - _____ Hold all dividends declared until you are provided further instructions. I understand that interest will be paid based on the rate earned by CVMIC on its investments. I further understand that I will get an annual accounting regarding any open balance.

Accepted and Agreed to This _____ day of _____, 2012.

City of Menasha

By _____
Name

Its _____
Title

2012 Auto Physical Damage Dividend Recommendation

Background

In 2007 Cities and Villages Mutual Insurance Company (CVMIC) began writing Auto Physical Damage Insurance. During the first two years of the program the loss ratio was much higher than historic averages and no dividend was recommended. During 2010 and 2011, loss results continued to improve to a point that staff can again recommend a dividend for the 2011 participants of that program.

2012 Auto Physical Damage Dividend Recommendation

1. As part of closing of the books at the end of each fiscal, staff develops an estimate of the funds to be set aside as Dividend's Declared and Unpaid. For the year ending December 31, 2011 it is our recommendation that \$200,000 be set aside for this purpose. This represents the third dividend to be paid for this program.
2. There are additional steps to be completed before the dividend can be declared. These steps include:
 - a. Completion of the 2011 financial audit by Clifton Larson Allen LLP.
 - b. Actuarial review and approval of reserves shown on the Annual Statement (Bickmore Risk Services).
 - c. Establish a dividend payout calculation that includes a level dividend to be paid to all participants and a loss dividend that will be paid to those members with a loss ratio below 60%. The dividend payout calculation will be reviewed with Bickmore Risk Services and included as a part of their final recommendation to the Board.
3. Bickmore Risk Services has completed their review of the 12-31-11 financial and loss picture of the company. Based on this review they will develop a recommendation for the Board of Directors regarding the Auto Physical Damage Program dividend.
4. The financial audit, equity study and dividend recommendation require Board review and approval. We anticipate these steps will be completed and a final dividend recommendation presented for review and approval at the May Board meeting. The Board, as a part of its review, will have the opportunity to review this recommendation to ensure the allocation of available funds between dividends and surplus is consistent with their long term strategy.
5. Following Board approval staff will prepare a report to the membership for the summer meeting detailing each participating member's share of the declared dividend.

City of Menasha 2012 APD Dividend payable, 3/1/13: \$4,876.00

2012 Strategic Planning Meeting

American Club
Kohler, WI
April 26-27, 2012

Members in attendance:

Ms. Kaye Matucheski, City of Antigo
Mr. Mike Ciaramita, City of Beloit
Mr. Robert Scott, City of Brookfield
Mr. Russ Van Gompel, Village of Brown Deer
Mr. Todd Michaels, Village of Greendale
Mr. Steve Stanczak, City of Kenosha
Mr. Mike Easker, City of Neenah
Ms. Tami Mayzik, City of South Milwaukee
Mr. Paul Ziehler, City of West Allis

Also in attendance:

Ms. Susan Blankenburg, Arthur J. Gallagher Risk Management
Mr. Mike DeMoss, CVMIC
Mr. Ken Horner, CVMIC
Mr. Rick Bayer, CVMIC

Mr. Van Gompel welcomed participants to the 2012 strategic planning meeting. He indicated that unlike prior strategic planning meetings, the agenda for this meeting was based primarily on input from the member strategic planning meeting held on Wednesday, April 25th at the American Club, Kohler, Wisconsin. He then reviewed the agenda and asked if anyone had additional items for discussion. None were provided.

Review of Annual Member Survey Results. Mr. Horner reviewed the survey process, discussed response rates and highlighted responses to various questions. Participants were asked to address any issue of concern. The remainder of the discussion focused on member responses to open-ended questions. Staff indicated that while the responses were overwhelmingly positive there were a couple of issues raised that warranted discussion including: the cost of company meetings, better access to regional training and more access to on-site services.

Cost of company meetings. Mr. Horner indicated that this issue had been discussed several times during recent years. He indicated that one alternative would be to combine the meetings into a single, slightly longer conference style meeting. Participants

discussed the idea and concluded that while it had merit from a cost standpoint, it could result in lower attendance from some smaller members that could not afford the additional time out of the office. Secondly, there is no one date that would be convenient for everyone. Based on the discussion there was consensus that the meetings should not be changed.

Better access to regional training and more on-site services. Staff reported that they would be presenting a proposal at the May 16th Board meeting to create a full-time, limited term position to develop e-learning programs and webinars. They indicated distance learning provided the best opportunity to expand access to training. This issue will be discussed in more detail later in the meeting. The rest of the discussion focused on efforts to incorporate member training issues into their work plans and on efforts to coordinate programs regionally.

There was consensus that the overall satisfaction of members remains very high and that the results of the survey were consistent with the information obtained during the member strategic planning meeting.

Review of Board Surveys. Staff provided background information on the history of the surveys and discussed how the Board had used the survey results in the past to improve the format of their meetings and of the information they receive. The Board has continued to use the forms as way of monitoring their performance. Participants then reviewed the results of both surveys.

A question was raised regarding the committee appointment process and the method to elect committee chairs. Staff reported the authority to create Committees is established by CVMIC Bylaws and that each committee operates under Board approved bylaws that, among other things, establish a process for the election of a committee chair. They noted that in most cases committee appointments are based on two factors; an expression of interest on behalf of the member or based on the expertise of the individual.

It was suggested that many members don't really understand who the members of the Board of Directors are. **It was recommended that Board members sit in the front of the room for a portion of both the summer and annual meetings so members can identify them.**

A question was raised regarding the orientation process for new member representatives. Staff reported that the first portion of the Board Orientation Manual is the outline of the orientation manual for new member representatives. They indicated that it had been used for the past couple of years. Staff normally contacts all new member reps and tries to schedule a meeting. Normally this takes about 1-1/2 hours. During the first meeting the focus is on the duties and responsibilities of member reps, company history, services, company meetings and access to staff. Staff normally recommends a follow up meeting 6 – 9 months later. The follow up meeting is rarely scheduled but issues are addressed as they arise and we try to get them involved in membership meetings, work plan meetings, training, loss control activities, etc. **It was recommended that staff update the member**

rep job description and present it at the summer meeting and encourage member participation in committee activities by indicating that it is a requirement to serve on a committee before being elected to the Board.

A question was raised regarding Board composition and term limits for Board members. Staff reviewed several prior discussions of these issues. They reported that among various options discussed was one that would eliminate the at-large position and increase the number of member representatives to three from each membership category for staggered three year terms. As initially proposed there would be a limit of three consecutive terms. The Board has never formally considered a proposal to modify the composition of the Board, the election process or term limits.

It was noted that the interest in term limits has come primarily from the small communities. This group has unofficially imposed a two term limit on Board participation. The consensus has been that this will increase the opportunity for others to serve on the Board. A concern was expressed that this is inconsistent with the bylaws and may have a negative impact on member representatives from the small communities to serve in a leadership capacity.

A question was raised as to whether or not consideration had ever been given to modifying the election process to ensure geographical balance on the Board or to balance the number of communities in each membership category.

Mr. Ziehler and Mr. Horner reported that the membership categories were created to allay the concerns of small communities. Their concern was that if Board membership was based on equity that the large communities could always control the Board. The process that was developed ensured that smaller communities would always have an equal voice.

Participants then reviewed ways of adjusting representation to ensure geographical balance or to adjust the population parameters. It was noted that most members are located in the southeastern part of the State. As a result there was no easy way to balance Board representation on a regional basis. Various options were discussed but there was no consensus that any of them would provide a viable option.

Staff indicated that under the bylaws, the Board has the authority to modify the election process, impose term limits and redefine membership. Any or all of these changes could be made by modifying the bylaws and reporting the change to the membership.

Mr. Van Gompel asked if there were any additional questions from participants regarding issues for discussion during the strategic planning meeting. None were presented

A recommendation was made for staff to monitor legislative and legal issues and to send follow-up information out as appropriate. An example was cited regarding a recent legislative change that appeared to be significant but had no impact on municipalities.

Review of vision statements from Wednesday. Mr. Horner distributed information summarized during Wednesday's membership meeting regarding proposed new vision statements. Following discussion a recommendation was made for participants to vote on the vision statement they felt most accurately reflected what CVMIC should look like in the future. This process resulted in a tie between statements four and five. Following discussion, it was the recommendation of participants that staff combine the two statements to come up with the model vision statement.

VISION STATEMENT

We envision a financially stable municipal insurance company growing to 55 members while maintaining an AM Best rating of "A" and delivering annual dividends of 30% of premiums paid to members and offering a full line of services including property, health, life insurance and risk management services.

We envision CVMIC as the municipal insurance market leader, serving as a model for full service insurance products, innovative loss prevention solutions and risk management programming for our membership in a cost effective manner.

We envision CVMIC as a market leader for municipal insurance in Wisconsin offering innovative products, risk management services and educational opportunities of the highest quality while ensuring its members receive stable, competitive rates and value added dividends.

We envision CVMIC growing to be Wisconsin's market leader for municipal insurance providing essential insurance products cities and villages need while controlling costs by ensuring innovation, best practices, risk control services, and education/training for and utilized by all members.

Through selective and stable member growth, CVMIC will continue to be the model innovator in municipal insurance providing full risk management services and products while maintaining and improving financial stability.

Participants reviewed the issue of growth implied in the vision statements. There was consensus that it is important to distinguish define growth in terms of products, services or membership.

Review of Objectives. Staff distributed a copy of the consensus objectives developed during Wednesday's membership meeting. The objectives were categorized in the following four areas: financial objectives: customer objective: internal process and objectives and for people and learning objectives.

CVMIC Strategic Objectives from Member Meeting

Financial Objective

- Maintain cost effective competitiveness (equal to or less than 2012 levels)
- To ensure financial stability by maintaining stable, predictable and competitive insurance costs
- Increase dividends 2% annually
- Increase reserves 2% annually
- Financial stability of CVMIC – surplus, in house management of insurance programs, dividend/premium levels, third party rating (AM Best) (Loss ratio goals)
- Continue to provide quality insurance while keeping insurance premium costs down

Customer Objective

- Increase products offered to include life, property and health insurance
- Maintain current level of service while offering additional programs on an a la carte fee level
- 25% of training non-class room
- 100% of training available as distance learning
- Explore potential expansions into other service areas and product areas
- Establish clear criteria for membership eligibility and market to communities that match the defined criteria – target specific and potential customers for slow controlled growth

Internal Objectives

- Develop additional ways of training through e-learning, webinars and partnerships to provide additional training locations (technical colleges – locations with technical capabilities)
- Implement information technology which would improve member training capability with the goal of improving member accessibility by 50% within 5 years
- Ongoing exploration and research at least one new product annually
- Products/technology (NEOGOV, e-learning, distance learning)
- Develop e-learning opportunities
- Expand locations for training opportunities to a larger geographic area

People and Learning

- Develop a succession plan to continue services when CVMIC staff retires by 2013, to be reviewed annually
- Commit to a succession plan with focus on timeline and transfer of knowledge
- Annual review of staff v. member needs

- Maintain and improve knowledge, skills and ability of staff
- Exposure to succession planning for CVMIC

Staff recommended that the goals developed by members be summarized into two to three goals for each of the four objectives. That process resulted in the following:

Strategic Objectives

- **Financial**
 - Ensure financial stability
 - Maintain competitiveness of insurance products
 - Develop methodology to manage growth and maintain rate stability
- **Customer**
 - Expand range of products/services and develop a menu of products/services available a la carte
 - Maintain base level of service
 - Establish and utilize criteria for membership eligibility and retention
- **Internal**
 - Utilize technology, e-learning, webinars, etc. to expand access to training programs and CVMIC resources
 - Develop additional opportunities for members to participate in regional training programs
- **People and Learning**
 - Maintain a plan ensuring continuing education and development of staff
 - Monitor staffing levels to ensure continuity of services to members
 - Maintain a staff succession plan ensuring continuity of CVMIC operations

Growth - It was the consensus of participants that adding members adds value to the organization for all members in terms of the availability of additional loss control services and program development opportunities.

Participants identified a variety of activities or measures for each of the four categories. Those are summarized below. Staff will review them and incorporate them into the final work plan.

Measures of financial stability or factors impacting financial stability. Surplus, reserves, income and dividends; AM Best rating; SIR utilization; member compliance with Liability Risk Management Guidelines; 3 year pricing of liability program (rate stability) and growth in members, services or products.

Customer strategic objective issues:

- Maintain actuarially sound criteria.
- Develop review process to evaluate loss experience of new members.
- Evaluate the ability of new members to comply with liability risk management guidelines.
- Assess the value added by a new member to CVMIC and the value added to the community from joining CVMIC.
- Develop a menu of services available through CVMIC. (Examples discussed include: consulting services, HR services, claim services, baseline testing for law enforcement and protect other protective services, safety services, accident investigation, healthcare consulting, human resource services, compensation systems, performance evaluation, organizational studies, consolidation studies and strategic planning.)
- Evaluate joint operations to determine whether these types of activities should be insured by CVMIC. Review should include situations in which not all participants are CVMIC members.

Internal processes strategic objectives

- Establish a goal that by 2017, 50% of suitable programs will be available through e-learning or webinars.
- Develop a proposal for the Board by January 2013 regarding the resources needed to implement webinars.
- Update website to maximize member access to resources.
- Develop research and development component for new products and services (à la cart menu).
- Explore options to expand regional programs in additional locations.

E-Learning Opportunity. Staff indicated that as result of hiring the intern approved in the 2012 budget, CVMIC was in a position to consider creating a limited term position whose sole function would be the creation of e-learning programs and webinars. Mr. Bayer reviewed the accomplishments of the intern noting that she had done an exceptional job creating the first e-learning program. He indicated that she currently works for an organization that offers e-learning programs and is solely responsible for producing several webinars each month.

Mr. Bayer indicated that one of the long standing desires of the membership is to have more access to CVMIC training and services. The only way to efficiently accomplish this is through distance learning using e-learning and webinars. CVMIC has struggled for several years to find a cost effective way to implement these programs. Based on the preliminary work of the intern we now have the opportunity to create a temporary position whose sole function would be the creation of e-learning programs and webinars. He recommended an 18 month trial with Board review after 12 months. During that time the position would be responsible for creating 18 to 24 new e-learning programs as well as developing a strategy for offering webinars. He indicated that both e-learning and webinars are marketable and could provide an offsetting stream of revenue in the future. Finally, the position would also be able to assist in the update of CVMIC's website.

He indicated that if there was interest, staff would develop a job description and a proposed salary range based for the position for consideration by the Board at their May 16th meeting. **Following discussion staff was directed to proceed with these tasks.**

People and learning objectives

- By October 2012 present succession plan to membership.
- Develop plan to preserve institutional knowledge of staff.
- Develop ongoing training to enhance member knowledge of insurance and risk management.
- Maintain staff development plans.
- Developing process and methodology to ensure staffing levels are adequate to maintain service and products to members.

Staff distributed a summary of the nine goal statements from the current work plan. Participants were then asked to review the new objectives to ensure that all key issues were addressed.

Except as noted there was consensus that items in the current work plan would be adequately addressed under the new objectives and the goals that are established.

- Communication should be added as an objective under customer service using the following statement: CVMIC shall strive to maintain effective channels of communication with all levels of member organizations and ensure members are aware of the available resources.
- Claims administration should be addressed under internal objective by stating that CVMIC shall provide high-quality, cost-effective liability, worker's compensation and physical damage claims administration. There was concern that member reps are not adequately aware of the claims handling process and **it was recommended that staff develop a program for the summer meeting to review the claims handling process.**
- Strategic Planning. It was the consensus of participants that members did not understand CVMIC's previous strategic planning efforts and, as a result, the information presented at the annual meeting regarding the work plan did not have the intended meaning. **It was recommended staff formalize future work plan updates at each annual meeting to capitalize on member participation in the recent strategic planning meeting to keep them involved on a five year membership meeting cycle.** A goal will be created to establish a process for member involvement including a mini work plan review every two to three years.
- Goal nine legislative activities – There was consensus that this item was not adequately addressed and that CVMIC should take a more active role in monitoring legislative activities, providing updates to the membership and working with other organizations to initiate legislative changes.

A recommendation was made that participants take a few minutes to identify any areas that were not otherwise addressed during the discussion process. A recommendation was made that an item should be added to the work plan to maintain AGRiP recognition.

Day One Wrap Up. Mr. Van Gompel reviewed issues discussed to determine if additional action was needed.

- Consolidation of summer and annual meetings to reduce expenses. Various options and benefits were discussed including a single longer meeting. It was agreed that this could yield a reduction in cost but would also restrict the ability of certain members to participate. Of particular concern was the impact on member reps from small organizations that may not be able to be out of the office for the extended period of time that would be required to participate in a conference style meeting. Based on their discussion it was the recommendation of participants to maintain the current format of the summer and annual meetings.
- Term limits, Board size and election or appointment process of Board members. The earlier discussion was reviewed and there was consensus that prior service on the Personnel or Finance Committees has been an important step in preparing to serve on the Board. There was also consensus that it takes three to four years for Board members to become truly comfortable with their role and responsibilities. A continuation of the “unofficial effort” by the small community would likely eliminate the option in the future for the Board president to be from a small community. At the conclusion of the discussion there was consensus that neither the board size or term limits should be addressed. **Staff was directed to update the Board job description to incorporate a requirement to have served on the Personnel or Finance Committee to be eligible to serve on the Board.**
- Member representative involvement – Concern was expressed about lack of involvement of some member representatives. A question was raised on what action should be taken if member representatives do not attend a certain number of summer or annual meetings. It was the consensus of participants that there are various reasons for not attending the meetings and their absence does not mean that they are not engaged or fulfilling their responsibilities as member representatives. **Staff was directed to address this issue as a training issue or as a part of the roundtable discussion at the summer meeting.**
- Board performance – Staff asked if participants saw a benefit to the continued use of the two surveys as a part of the strategic planning meeting. There was consensus that this information provided a useful tool and should be continued.
- Withdrawal or expulsion of members. **Staff was directed to review the current procedures as identified in the program coverage agreement and the bylaws that would be used to expel a member for failure to comply with requirements established by the program agreement or failure to comply with the requirements of liability risk management guidelines.**

Staff reported that they are in the process of developing talking points regarding the process that would be followed if a member opted to leave the organization. The information is being prepared for a project assigned to the Finance

Committee. The talking points will also assist member representatives when they asked whether or not they should market the insurance program. The Finance Committee will meet on May 8. This issue is a part of a broader discussion to create a procedure to cover the payment of available assets upon withdrawal or expulsion.

Outline of Day Two Discussions. Staff reviewed the issues to be discussed on Friday morning:

- Review the updated objectives
- Review of current mission, vision and belief statements
- Review of issues presented by participants
- Other issues

Meeting adjourned at 4:30 pm.

Day Two – Meeting was called to order at 8:30 a.m.

Members in attendance:

Ms. Kaye Matucheski, City of Antigo
Mr. Mike Ciaramita, City of Beloit
Mr. Robert Scott, City of Brookfield
Mr. Russ Van Gompel, Village of Brown Deer
Mr. Todd Michaels, Village of Greendale
Mr. Steve Stanczak, City of Kenosha
Mr. Mike Easker, City of Neenah
Ms. Tami Mayzik, City of South Milwaukee
Mr. Paul Ziehler, City of West Allis

Also in attendance:

Ms. Susan Blankenburg, Arthur J. Gallagher Risk Management
Mr. Mike DeMoss, CVMIC
Mr. Ken Horner, CVMIC
Mr. Rick Bayer, CVMIC

Mr. Horner outlined issues for the morning's meeting:

- Any item from the Thursday session that any participant wanted to discuss.
- Review of objectives developed during day one (copy distributed)
- Review of the current mission, vision and belief statements.
- Where do we go from here with the strategic planning process?
- Review of new product opportunities.

A question was raised regarding the perceived cost/benefit relationship of using resort hotels for company meetings. Had the company considered the cost of this type of meeting and member perceptions? It was indicated that the issue had been discussed on numerous occasions. The following rationale was provided:

- The timing of the strategic planning meeting is such that the company is able to take advantage of low season rates.
- Experience has shown that members are more likely to attend a meeting in a resort location.
- Based on the importance of member participation, the company feels it is important to provide the incentive to individuals that are required to give up personal time to participate.
- The importance of member involvement in educational programs, business decisions and the strategic planning process justify the expense incurred. None of the activities are at all extravagant.

Review of objectives developed during Thursday session.

Strategic Objectives

- **Financial**
 - Ensure financial stability
 - Maintain competitiveness of insurance products
 - Develop methodology to manage growth and maintain rate stability
- **Customer**
 - Expand range of products/services and develop a menu of products/services available a la carte.
 - Maintain base level of service.
 - Establish and utilize criteria for membership eligibility and retention.
- **Internal**
 - Utilize technology, e-learning, webinars, etc. to expand access to training programs and CVMIC resources.
 - Develop additional opportunities for members to participate in regional training programs.
 - **Maintain effective communications and member involvement.**
- **People and Learning**
 - Maintain a staff succession plan ensuring continuity of CVMIC operations.
 - Maintain a plan ensuring continuing education and development of staff.
 - Monitor staffing levels to ensure continuity of services to members.

Review of mission, vision and belief statement - Staff distributed a copy of the current mission, vision and belief statements and indicated they felt it would be useful for participants to review them based on their experience of the last two days.

Mission Statement – Following discussion Mr. Horner offered the following modified version of the mission statement based on criteria outlined in the Strategic Planning training provided by Ms. Ozuna-Richards and comments made by participants and members. **“Cities and Villages Mutual Insurance Company (CVMIC) is dedicated to developing and maintaining high-quality, stable, affordable insurance and risk management services; supporting public services and serving the needs of its member owners.”**

Vision Statement. Mr. Horner indicated that an updated vision statement based on the two following two model statements would be distributed for comment prior to the May 16th Board meeting.

Current Vision Statement

“As a market leader for municipal insurance in Wisconsin, CVMIC will offer innovative products, services and educational opportunities of the highest quality to ensure its members are well informed consumers and knowledgeable owners.”

Preferred Vision Statements from Member Meeting (Statements 3 & 4)

We envision CVMIC as a market leader for municipal insurance in Wisconsin offering innovative products, risk management services and educational opportunities of the highest quality while ensuring its members receive stable, competitive rates and value added dividends.

We envision CVMIC growing to be Wisconsin’s market leader for municipal insurance providing essential insurance products cities and villages need while controlling costs by ensuring innovation, best practices, risk control services and education/training for and utilized by all members.

New Vision Statement

We envision CVMIC as a market leader for municipal insurance and risk management services in Wisconsin offering innovative products, services and educational opportunities of the highest quality, promoting compliance with best practices while providing stable pricing and dividends for its member owners.

Belief Statements – Mr. Horner reviewed the elements recommended by Ms. Ozuna-Richards in the strategic planning documentation. He then asked participants to review each of the 11 current belief statements to determine if changes should be made to make

them consistent with the above elements. That process resulted in the following changes:

- Modify statement 5 by replacing “**Should be fiscally**” with “**Is financially**” and eliminating the reference to **\$25 million**.
- Modify the fifth statement by changing the word “**Has**” to “**Maintain**”.
- Statement 7 will be rewritten as follows: **Board of Directors shall at all times act in accordance with the highest standards of ethics and integrity; make all decisions in an informed, open and transparent manner consistent with the best interests of the Company and all applicable administrative rules, laws and professional standards.**”
- Current statements 8 & 9 will be combined and revised as follows: “**Respects and employs highly qualified, professional personnel and is committed to providing a challenging and rewarding work environment maximizing employee potential.**”
- A new statement 9 will be added as follows: “**Respects its employees, provides a challenging and rewarding work environment.**”
- Statement 10 will be eliminated and replaced with “**Shall comply with the best practices of the municipal insurance industry.**”
- Goal 11 will be rewritten as follows: “**and its member partners must value innovation, utilize strategic thinking and planning to understand and meet the long terms of public entities.**”
- Add the following new belief statement: “**Will comply with the Service Provider Bill of Rights conducting all transactions with its business partners, service providers and competitors in a respectful, open, ethical and transparent manner.**”

Mr. Horner indicated revisions to the Mission, Vision and Belief Statements would be reviewed and distributed for comment prior to the Board meeting. To assist in the review process, a copy of the original language will be included.

Where do we go from here? Participants were asked to identify any changes they would like to see made in the strategic planning process for next year. No changes were recommended. He indicated that a survey will be sent to participants in Wednesday’s membership planning session to obtain their feedback.

Mr. Horner indicated that the Strategic Planning meeting minutes and draft work plan will be reviewed by the Board of Directors at their May 16 meeting. The updated work plan will be distributed to the membership and discussed at the annual meeting along with the updated succession plan. He indicated the final work plan with updated goals for the new objectives would not be finalized for a few weeks.

New products -Susan Blankenburg distributed a copy of materials regarding the following four new group purchase products that are available for the membership: crime/employee dishonesty/public officials bonds; Environmental liability and underground storage tanks coverage; Cyber Risk liability coverage; and Volunteer’s Medical, Accidental Death & Dismemberment. For each of the programs she provided

an overview of the coverage, discussed the limits, reviewed the need for coverage, discussed exclusions, provided examples of losses and provided individual member premium information based on a group purchase option.

Following the presentation and discussion, it was the recommendation of participants to move forward by gathering additional information, analyzing how the coverages would match with existing policies and updating exposure information. **An item will be placed on the agenda for the May 16 Board meeting. It was also recommended that CVMIC staff review the coverages provided by the new programs and develop specific recommendations to assist members as they review the programs.** It was the consensus of participants that a recommendation to the membership regarding the pros and cons of the purchase of additional coverages by CVMIC would be helpful. The membership has a high level of respect for CVMIC's recommendations and it is important to ensure they have the information they need to make a recommendation. A review of these coverages shall be presented at the summer meeting.

Following discussion, meeting adjourned at 10:30 a.m.

MISSION STATEMENT

“Cities and Villages Mutual Insurance Company (CVMIC) is dedicated to developing and maintaining high-quality, stable, affordable insurance and risk management services; supporting public services and serving the needs of its member owners.”

VISION STATEMENT

We envision CVMIC as a market leader for municipal insurance and risk management services in Wisconsin offering innovative products, services and educational opportunities of the highest quality, promoting compliance with best practices while providing stable pricing and dividends for its member owners.

CORE VALUES

CVMIC:

- Shall provide high quality risk management, claims handling and loss control services to its members.
- Shall provide high quality and stable insurance products to its members.
- Shall be a vibrant, innovative and diversified organization.
- Shall be financially responsible providing services in a cost effective manner, maintain adequate surplus and reserves and provide stable dividends to members.
- Shall maintain the highest standard of ethics and integrity.
- Shall keep members informed and encourage active and positive participation in support of the organization.
- Board of Directors shall at all times strive to conform with the CVMIC Code of Conduct and act with the highest standards of ethics and integrity; make all decisions in an informed, open and transparent manner consistent with the best interests of the Company and all applicable administrative rules, laws and professional standards.
- Shall respect and employ highly qualified, professional personnel and be committed to providing a challenging and rewarding work environment maximizing employee potential.
- Shall require employees and members to comply with the CVMIC Code of Conduct when acting on behalf of the Company.
- Shall strive to conform to identified best practices of the municipal insurance industry.
- And its member partners will value innovation, utilize strategic thinking and planning to understand and meet the long terms of public entities.
- Shall comply with the Service Provider Bill of Rights conducting all transactions with its business partners, service providers and competitors in a respectful, open, ethical and transparent manner.

CVMIC Strategic Objectives

Financial Objectives

- Ensure financial stability using established criteria
- Maintain market competitiveness for insurance products
- Develop methodology to manage growth and ensure rate stability

Customer Objectives

- Expand range of products and services
- Maintain level of services provided to members and develop list of services available to members a la carte
- Establish and utilize criteria for membership eligibility

Internal Processes Objectives

- Utilize technology, eLearning, webinars, etc. to expand access to training programs and CVMIC resources
- Develop additional opportunities for members to participate in regional training programs
- Maintain effective communications and member involvement

People and Learning Objectives

- Maintain a staff succession plan ensuring continuity of CVMIC operations and continuing education and development of skills
- Monitor staffing levels to ensure continuity of services provided to members

2013 Premium Projections as of 8/28/12 City of Menasha

| | 2011 | | 2012 | | 2013-Low Range | | 2013-High Range | | |
|-------------------------------|------|----------|---------|----------|----------------|----------|-----------------|---|---------|
| | | | | | | | | | |
| CVMIC Liability Premium | \$ | 48,782 | \$ | 50,002 | \$ | 50,752 | \$ | 50,752 \$25,000 SIR | |
| CVMIC Liability Dividend | | (26,369) | | (28,146) | | (29,515) | | (29,515) | |
| | | | | | | | | As of 12/31/11 your ownership percentage is estimated at 2.070%. On May 16, 2012 the Board of Directors has declared the 2013 Dividend. Dividends amounts will be announced at the Summer Meeting. | |
| CVMIC WC Projection | \$ | 163,303 | \$ | 162,070 | \$ | 165,007 | \$ | 165,007 | |
| | | | | | | | | Low Range - Based on rates from 10/1/12 & Payroll no increase. High Range - Based on rates from 10/1/12 & Payroll no increase. Based on payrolls projected from the 2011 policy audit with no increase. Based on 2012 Normal Experience Modification of 0.81 | |
| Excess Liability Premium | \$ | 1,835 | \$ | 1,835 | \$ | 1,835 | \$ | 1,963 | |
| | | | | | | | | Low Range - Based on no change in rates in rates. High Range - Based on 7% increase in rates. Based on payrolls projected from the 2011 WC Audit | |
| Employment Practice Liability | \$ | 4,537 | \$ | 4,537 | \$ | 4,537 | \$ | 4,764 | |
| | | | | | | | | Low Range - Based on a 0% change in rates. High Range - Based on 5% increase in rates. Based on no change in employment count. | |
| Auto Physical Damage Coverage | \$ | 15,863 | \$ | 16,179 | \$ | 13,884 | \$ | 14,578 | |
| | | | | | | | | Low Range - Based on no increase in rates. High Range - Based on 5% increase in rates. Based on actual fleet value on file as of 7/24/12 adjusted by 5%. Based on a \$1,000 Deductible. | |
| CVMIC APD Dividend | \$ | (3,340) | \$ | (3,271) | \$ | (4,876) | \$ | (4,876) | |
| | | | | | | | | On May 16, 2012 the Board of Directors has declared the 2013 Dividend. Dividends amounts were announced at the Summer Meeting. | |
| Boiler & Machinery Coverage | \$ | - | \$ | - | \$ | - | \$ | - | |
| | | | | | | | | Low Range - Based on no change in rates. High Range - Based on 5% increase in rate. Based on a 3.8% increase in building value | |
| | | \$ | 204,611 | \$ | 203,206 | \$ | 201,624 | \$ | 202,674 |

Local Government Property Insurance Fund

| Auto Physical Damage | | | | | |
|----------------------|----|------------|------------|----------------|-----------------|
| Vehicle Value | \$ | 4,047,479 | \$ | 4,249,853 | |
| Vehicle Count | | 65 | | | |
| Vehicles as of | | 7/24/12 | | | |
| Rates: | | 2011 Rates | 2012 Rates | 2013 Low Rates | 2013 High Rates |
| 1,000 | | | 0.3267 | 0.32670 | 0.34304 |
| 2,500 | | | 0.2406 | 0.24060 | 0.25263 |
| 5,000 | | | 0.2080 | 0.20800 | 0.21840 |

Projected costs for 2013 are based on 10 public entity quotes on or after 7/1/12. Of these 10 communities, the average inflation used by the LSPIF was a 3.8% increase. The Loss Control Multiplier was increased from 1.058 to 1.217 which is a 15% increase. At the \$1,000 deductible level there was no change in discount for this deductible.

Note: This is an estimate of the cost of insurance for the 2013 policy year. The WC rates effective 10/1/12 have been published by the WCRCB and those rates have been used in this estimate. The experience modifications for 2013 have been issued by the WCRCB. These estimates for the group purchase programs are based on our estimates as discussed at the Summer Meeting. The liability premium is the actual 2013 premium and the dividends have been declared for payment in 2013.

WB-13 VACANT LAND OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON August 16, 2012 [DATE] IS (AGENT OF BUYER)

2 (~~AGENT OF SELLER/LISTING BROKER~~) (~~AGENT OF BUYER AND SELLER~~) ~~STRIKE THOSE NOT APPLICABLE~~

3 **GENERAL PROVISIONS** The Buyer, Trident Real Estate, LLC

4 _____, offers to purchase the Property

5 known as [Street Address] Lot 4 of CSM 5484 (Midway Business Park)

6 in the City Menasha of Menasha County of Winnebago, Wisconsin (Insert

7 additional description, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525), on the following terms:

8 ■ **PURCHASE PRICE:** Forty Thousand and NO/100 -----

9 _____ Dollars (\$ 40,000.00).

10 ■ **EARNEST MONEY** of \$ _____ accompanies this Offer and earnest money of \$ 5,000.00

11 will be mailed, or commercially or personally delivered within ten (10) days of acceptance to listing broker or

12 Buyer's legal counsel trust account

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

14 ■ **INCLUDED IN PURCHASE PRICE:** Seller is including in the purchase price the Property, all Fixtures on the Property on the

15 date of this Offer not excluded at lines 18-19, and the following additional items: n/a

16 _____

17 _____

18 ■ **NOT INCLUDED IN PURCHASE PRICE:** n/a

19 _____

20 **CAUTION: Identify Fixtures that are on the Property (see lines 290-294) to be excluded by Seller or which are rented**

21 **and will continue to be owned by the lessor.**

22 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are**

23 **included/excluded. Annual crops are not part of the purchase price unless otherwise agreed.**

24 ■ **ZONING:** Seller represents that the Property is zoned: C-4 Business Park District

25 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical

26 copies of the Offer.

27 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines**

28 **running from acceptance provide adequate time for both binding acceptance and performance.**

29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on

30 or before Friday, August 24, 2012 at 12:00 noon. Seller may keep the Property on the

31 market and accept secondary offers after binding acceptance of this Offer.

32 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

33 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX () ARE PART OF THIS

34 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"

35 OR ARE LEFT BLANK.

36 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and

37 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 38-56.

38 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if

39 named at line 40 or 41.

40 Seller's recipient for delivery (optional): Drifka Group Inc., Attn: Bob Drifka

41 Buyer's recipient for delivery (optional): Menn Law Firm, Ltd., Attn: Robert N. Duimstra

42 (2) **Fax:** fax transmission of the document or written notice to the following telephone number:

43 Seller: (920) 993-9065 Buyer: (920) 560-4753

44 (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a

45 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 40 or 41, for

46 delivery to the Party's delivery address at line 49 or 50.

47 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,

48 or to the Party's recipient for delivery if named at line 40 or 41, for delivery to the Party's delivery address at line 49 or 50.

49 Delivery address for Seller: N9601 Crystal Drive, Appleton, WI 54915

50 Delivery address for Buyer: 2501 E Enterprise Ave, Appleton, WI 54913 or P.O. Box 785, Appleton, WI 54912-0785

51 (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line

52 55 or 56. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for

53 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically

54 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

55 E-Mail address for Seller (optional): bob@drifkagroup.com

56 E-Mail address for Buyer (optional): robert-duimstra@mennlaw.com

57 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller

58 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

59 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
60 Offer at lines 458-464 or 526-534 or in an addendum attached per line 525. At time of Buyer's occupancy, Property shall be
61 free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left
62 with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

63 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
64 notice or knowledge of Conditions Affecting the Property or Transaction (see lines 163-187 and 246-278) other than those
65 identified in the Seller's disclosure report dated _____, which was received by Buyer prior to
66 Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**
67 and _____

68 _____
69 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

70 **CLOSING** This transaction is to be closed no later than **Thursday, November 1, 2012**
71 _____ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

72 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
73 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association
74 assessments, fuel and no others

75 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

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

77 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

78 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
79 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
80 APPLIES IF NO BOX IS CHECKED)

81 Current assessment times current mill rate (current means as of the date of closing)

82 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
83 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

84
85 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**
86 **substantially different than the amount used for proration especially in transactions involving new construction,**
87 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**
88 **regarding possible tax changes.**

89 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
90 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5
91 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
92 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
93 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

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

97 _____, Insert additional terms, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525.

98 **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within _____ days of acceptance of this Offer, a list of all
99 federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions,
100 or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland
101 preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve
102 Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any
103 penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be
104 deemed satisfied unless Buyer delivers to Seller, within seven (7) days of Buyer's Actual Receipt of said list and disclosure, or
105 the deadline for delivery, whichever is earlier, a notice terminating this Offer based upon the use restrictions, program
106 requirements, and/or amount of any penalty, fee, charge, or payback obligation.

107 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs,**
108 **as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller**
109 **incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The**
110 **Parties agree this provision survives closing.**

111 **MANAGED FOREST LAND:** All, or part, of the Property is managed forest land under the Managed Forest Law (MFL).
112 This designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that
113 encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as
114 managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the
115 new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources
116 and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules.
117 The DNR Division of Forestry monitors forest management plan compliance. Changes you make to property that is subject to
118 an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause
119 the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the
120 local DNR forester or visit <http://www.dnr.state.wi.us>.

121 **FENCES:** Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares
 122 where one or both of the properties is used and occupied for farming or grazing purposes.

123 **CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and**
 124 **occupied for farming or grazing purposes.**

125 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that would be
 126 generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a
 127 non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more
 128 information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization
 129 Section or visit <http://www.revenue.wi.gov/>.

130 **FARMLAND PRESERVATION:** Rezoning a property zoned farmland preservation to another use or the early termination of a
 131 farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to
 132 3 times the class 1 "use value" of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection
 133 Division of Agricultural Resource Management or visit <http://www.datcp.state.wi.us/> for more information.

134 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S. Department
 135 of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective
 136 cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent plus one-half of the cost of
 137 establishing permanent ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more
 138 information call the state Farm Service Agency office or visit <http://www.fsa.usda.gov/>.

139 **SHORELAND ZONING ORDINANCES:** All counties must adopt shoreland zoning ordinances that meet or are more
 140 restrictive than Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land
 141 within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum
 142 standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface
 143 standards (that may be exceeded only if a mitigation plan is adopted) and repairs to nonconforming structures. Buyers must
 144 conform to any existing mitigation plans. For more information call the county zoning office or visit <http://www.dnr.state.wi.us/>.
 145 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning restrictions, if any.

146 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 147 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 148 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 149 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

150 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 151 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 152 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 153 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 154 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
 155 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 156 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 157 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 158 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 159 be held in trust for the sole purpose of restoring the Property.

160 **DEFINITIONS**

161 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or
 162 written notice physically in the Party's possession, regardless of the method of delivery.

163 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 164 defined to include:

- 165 a. Proposed, planned or commenced public improvements or public construction projects which may result in special
 166 assessments or otherwise materially affect the Property or the present use of the Property.
- 167 b. Government agency or court order requiring repair, alteration or correction of any existing condition.
- 168 c. Land division or subdivision for which required state or local approvals were not obtained.
- 169 d. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 170 e. A portion of the Property being subject to, or in violation of, a farmland preservation agreement or in a certified farmland
 171 preservation zoning district (see lines 130-133), or enrolled in, or in violation of, a Forest Crop, Managed Forest (see lines
 172 111-120), Conservation Reserve (see lines 134-138), or comparable program.
- 173 f. Boundary or lot disputes, encroachments or encumbrances, a joint driveway or violation of fence laws (Wis. Stat. ch. 90)
 174 (where one or both of the properties is used and occupied for farming or grazing).
- 175 g. Material violations of environmental rules or other rules or agreements regulating the use of the Property.
- 176 h. Conditions constituting a significant health risk or safety hazard for occupants of the Property.
- 177 i. Underground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,
 178 including, but not limited to, gasoline and heating oil.
- 179 j. A Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, pesticides, herbicides,
 180 fertilizer, radon, radium in water supplies, lead or arsenic in soil, or other potentially hazardous or toxic substances on the
 181 premises.
- 182 k. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 183 l. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 184 Property.
- 185 m. Defects in any well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-
 186 service wells and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned
 187 according to applicable regulations.

188 (Definitions Continued on page 5)

IF LINE 190 IS NOT MARKED OR IS MARKED N/A, LINES 230-236 APPLY.

189

190 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written
191 _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage

192 loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an
193 amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years.
194 Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may
195 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance
196 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination
197 fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed amount,
198 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the
199 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

200 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 201 or 202.**

201 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.

202 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest
203 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per
204 year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal
205 and interest may be adjusted to reflect interest changes.

206 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 458-464 or
207 526-534 or in an addendum attached per line 525.

208 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a
209 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described
210 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no
211 later than the deadline at line 192. **Buyer and Seller agree that delivery of a copy of any written loan commitment to**
212 **Seller (even if subject to conditions) shall satisfy the Buyer's financing contingency if, after review of the loan**
213 **commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall**
214 **accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of**
215 **unacceptability.**

216 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide**
217 **the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN**
218 **COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS**
219 **ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

220 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this
221 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
222 commitment.

223 ■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already
224 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of
225 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is
226 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this
227 transaction on the same terms set forth in this Offer and this Offer shall remain in full force and effect, with the time for closing
228 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain
229 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

230 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party
231 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,
232 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering
233 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing
234 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands
235 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an
236 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

237 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised
238 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated
239 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon
240 purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to
241 Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon
242 purchase price, accompanied by a written notice of termination.

243 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether**
244 **deadlines provide adequate time for performance.**

245 **DEFINITIONS CONTINUED FROM PAGE 3**

- 246 n. Defects in any septic system or other sanitary disposal system on the Property or out-of-service septic systems not
247 closed/abandoned according to applicable regulations.
- 248 o. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface
249 foundations or waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic
250 or hazardous materials or containers for these materials were disposed of in violation of manufacturer's or government
251 guidelines or other laws regulating said disposal; high groundwater; adverse soil conditions (e.g. low load bearing
252 capacity, earth or soil movement, slides) or excessive rocks or rock formations.
- 253 p. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other
254 contaminated land, or soils contamination remediated under PECFA, the Department of Natural Resources (DNR)
255 Remediation and Redevelopment Program, the Agricultural Chemical Cleanup Program or other similar program.
- 256 q. Lack of legal vehicular access to the Property from public roads.
- 257 r. Homeowners' associations, common areas shared or co-owned with others, zoning violations or nonconforming uses,
258 conservation easements, restrictive covenants, rights-of-way, easements, easement maintenance agreements, or use of
259 a part of Property by non-owners, other than recorded utility easements.
- 260 s. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to
261 impose assessments against the real property located within the district.
- 262 t. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- 263 u. Property tax increases, other than normal annual increases; completed or pending property tax reassessment of the
264 Property, or proposed or pending special assessments.
- 265 v. Burial sites, archeological artifacts, mineral rights, orchards or endangered species.
- 266 w. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 267 x. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 268 y. Significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- 269 z. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial
270 injuries or disease in livestock on the Property or neighboring properties.
- 271 aa. Existing or abandoned manure storage facilities on the Property.
- 272 bb. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of
273 the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 274 cc. The Property is subject to a mitigation plan required by DNR rules related to county shoreland zoning ordinances that
275 obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county
276 (see lines 139-145).
- 277 dd. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion
278 charge or the payment of a use-value conversion charge has been deferred.
- 279 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
280 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
281 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
282 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
283 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
284 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
285 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
286 closing, expire at midnight of that day.
- 287 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
288 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
289 significantly shorten or adversely affect the expected normal life of the premises.
- 290 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land so as to be
291 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage
292 to the premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited
293 to, all: perennial crops; garden bulbs; plants; shrubs and trees and fences; storage buildings on permanent foundations and
294 docks/piers on permanent foundations.
- 295 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented on lines 18-19.**
- 296 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.
- 297 **PROPERTY DEVELOPMENT WARNING:** If Buyer contemplates developing Property for a use other than the current use,
298 there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and
299 zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or
300 uses and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals,
301 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits,
302 subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of
303 development of, or a particular use for, a property. Optional contingencies which allow Buyer to investigate certain of these
304 issues can be found at lines 306-350 and Buyer may add contingencies as needed in addenda (see line 525). Buyer should
305 review any plans for development or use changes to determine what issues should be addressed in these contingencies.

306 **PROPOSED USE CONTINGENCIES:** Buyer is purchasing the Property for the purpose of: professional office

309 [insert proposed use and type and size of building, if applicable; e.g. three bedroom single family home]. The optional
310 provisions checked on lines 314-345 shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers
311 written notice to Seller specifying those items which cannot be satisfied and written evidence substantiating why each specific
312 item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller
313 agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 314-350.

314 **ZONING CLASSIFICATION CONFIRMATION:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's)
315 ~~STRIKE ONE~~ ("Buyer's" if neither is stricken) expense, verification that the Property is zoned _____
316 _____ and that the Property's zoning allows the Buyer's proposed use described at lines 306-308.

317 **SUBSOILS:** This offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither
318 is stricken) expense, written evidence from a qualified soils expert that the Property is free of any subsoil condition which
319 would make the proposed use described at lines 306-308 impossible or significantly increase the costs of such
320 development.

321 **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** This Offer is contingent
322 upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither is stricken) expense, written evidence from
323 a certified soils tester that (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must
324 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the
325 Property as stated on lines 306-308. The POWTS (septic system) allowed by the written evidence must be one of
326 the following POWTS that is approved by the State for use with the type of property identified at lines 306-308

327 **ALL THAT APPLY:** conventional in-ground; mound; at grade; in-ground pressure distribution; holding tank;
328 other: _____

329 **EASEMENTS AND RESTRICTIONS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE~~
330 ~~ONE~~ ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and restrictions
331 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or
332 significantly delay or increase the costs of the proposed use or development identified at lines 306-308.

333 **APPROVALS:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if
334 neither is stricken) expense, permits, approvals and licenses, as appropriate, or the final discretionary action by the
335 granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's
336 proposed use: _____

337 **UTILITIES:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if neither
338 is stricken) expense, written verification of the following utility connections at the listed locations (e.g., on the Property, at
339 the lot line, across the street, etc.) **CHECK AND COMPLETE AS APPLICABLE:** electricity _____;
340 gas _____; sewer _____; water _____;
341 telephone _____; cable _____; other _____

342 **ACCESS TO PROPERTY:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~
343 ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public
344 roads.

345 **LAND USE APPROVAL:** This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Buyer's" if
346 neither is stricken) expense, a rezoning; conditional use permit; license; variance; building permit;
347 occupancy permit; other _____ **CHECK ALL THAT APPLY**, and delivering
348 written notice to Seller if the item cannot be obtained, all within _____ days of acceptance for the Property for its proposed
349 use described at lines 306-308.

350 **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) ~~STRIKE ONE~~ ("Seller
351 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a
352 registered land surveyor, within _____ days of acceptance, at (Buyer's) (Seller's) ~~STRIKE ONE~~ ("Seller's" if neither is stricken)
353 expense. The map shall show minimum of _____ acres, maximum of _____ acres, the legal description of the
354 Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,
355 if any, and:

356 **[STRIKE AND COMPLETE AS APPLICABLE]** Additional map features which may be added include, but are not limited to:
357 staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square
358 footage; easements or rights-of-way. **CAUTION: Consider the cost and the need for map features before selecting them.**

359 **Also consider the time required to obtain the map when setting the deadline.** This contingency shall be deemed satisfied
360 unless Buyer, within five days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for delivery of said map,
361 delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information
362 materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency.

363 Upon delivery of Buyer's notice, this Offer shall be null and void.

365 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land dimensions, total square footage, acreage
366 figures, or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of
367 rounding, formulas used or other reasons, unless verified by survey or other means.

368 **CAUTION: Buyer should verify land dimensions, total square footage/acreage figures and allocation of acreage**
369 **information if material to Buyer's decision to purchase.**

370 **EARNEST MONEY**

371 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker
372 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or
373 otherwise disbursed as provided in the Offer.

374 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**
375 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**
376 **disbursement agreement.**

377 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after
378 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.
379 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest
380 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said
381 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse
382 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
383 (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)
384 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an
385 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to
386 exceed \$250, prior to disbursement.

387 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in
388 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to
389 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or
390 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.
391 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4
392 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their
393 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
394 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing
395 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.

396 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the
397 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as
398 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple
399 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information
400 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers
401 researching comparable sales, market conditions and listings, upon inquiry.

402 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
403 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
404 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

405 **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery
406 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior
407 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.
408 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice
409 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days after acceptance of this Offer. All
410 other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

411 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
412 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this
413 Offer except: none

414 If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of
415 contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the
416 date or Deadline is allowed before a breach occurs.

417 **TITLE EVIDENCE**

418 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
419 (or trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
420 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
421 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
422 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's disclosure report and
423 in this Offer, general taxes levied in the year of closing and no others

424 _____

425 _____

426 _____

427 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
428 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

429 ■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the
430 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all
431 costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's lender.

432 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's) (Buyer's) **STRIKE**
433 **ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the
434 effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
435 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
436 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 442-449).

437 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
438 insurance commitment is delivered to Buyer's attorney or Buyer not more than 30 days after acceptance ("15" if left blank),
439 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per
440 lines 418-427, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements
441 and exceptions, as appropriate.

442 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
443 objections to title within 30 days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In
444 such event, Seller shall have a reasonable time, but not exceeding 10 days ("5" if left blank) from Buyer's delivery of the
445 notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for
446 closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the
447 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver
448 written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not
449 extinguish Seller's obligations to give merchantable title to Buyer.

450 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, levied or for work actually commenced prior to the date of this
451 Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.

452 **CAUTION:** Consider a special agreement if area assessments, property owners association assessments, special
453 charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are
454 one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)
455 relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all
456 sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact
457 fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).

458 **ADDITIONAL PROVISIONS/CONTINGENCIES** The Seller agrees to the Buyer's rights of entry and, upon acceptance,
459 grants to the Buyer and/or its inspectors, contractors, engineers, architects, and other agents and representatives, the
460 right to enter onto the Property at all reasonable times after acceptance of this Offer in order to conduct surveys or tests,
461 undertake architectural or engineering studies, obtain or develop architectural or construction plans and proposals, or
462 perform any other tests or studies deemed necessary by the Buyer or otherwise required in connection with the Buyer's
463 contemplated use and occupancy of the Property for its contemplated business venture; provided, however, that the Buyer
464 shall restore the Property to substantially the same condition it was in prior to any such tests or studies being conducted.

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

468 If Buyer defaults, Seller may:

469 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
 470 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for
 471 actual damages.

472 If Seller defaults, Buyer may:

473 (1) sue for specific performance; or
 474 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

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

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

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

485 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller.
 486 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and
 487 inures to the benefit of the Parties to this Offer and their successors in interest.

488 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of
 489 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the
 490 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,
 491 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building
 492 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,
 493 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in
 494 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's
 495 authorization for inspections does not authorize Buyer to conduct testing of the Property.

496 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**
 497 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**
 498 **material terms of the contingency.**

499 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
 500 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.
 501 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported
 502 to the Wisconsin Department of Natural Resources.

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of

507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer.

518 **RIGHT TO CURE:** Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES** Within thirty (30) days after the acceptance of the Offer, the Seller shall
527 deliver to the Buyer all environmental reports and documentation with respect to the Property that the Seller possesses
528 or can readily obtain, including without limitation Phase I reports, Phase II reports, and any other reports or documents
529 related to the actual or potential release or discharge of hazardous materials on or about the Property.

531 For purposes of the Offer, the Buyer's attorney, through a trust account, shall be paid and hold any earnest money in
532 accordance with Lines 370 to 395 of the Offer. Any and all references to "Broker" therein shall be substituted with and
533 shall refer to the Buyer's attorney.

535 This Offer was drafted by [Licensee and Firm] Attorney Robert N. Duimstra, Menn Law Firm, Ltd.

536 _____ on August 16, 2012

537 (x) _____
538 Buyer's Signature ▲ Print Name Here ► Jeffrey R. Lang, Member Date ▲ _____

539 (x) _____
540 Buyer's Signature ▲ Print Name Here ► _____ Date ▲ _____

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer:
542 _____ Broker (by) _____

543 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER
544 SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON
545 THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

546 (x) _____
547 Seller's Signature ▲ Print Name Here ► _____ Date ▲ _____

548 (x) _____
549 Seller's Signature ▲ Print Name Here ► _____ Date ▲ _____

550 This Offer was presented to Seller by [Licensee and Firm] _____
551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____
553 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

503 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing
506 an inspection of _____
507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.
511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as**
512 **well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the written
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).
515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the
517 Buyer had actual knowledge or written notice before signing this Offer

518 **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have a right to cure the Defects. If
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
521 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
524 or (b) Seller does not timely deliver the written notice of election to cure.

525 **ADDENDA:** The attached _____ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES:** Within thirty (30) days after the acceptance of the Offer, the Seller shall
527 deliver to the Buyer all environmental reports and documentation with respect to the Property that the Seller possesses
528 or can readily obtain, including without limitation Phase I reports, Phase II reports, and any other reports or documents
529 related to the actual or potential release or discharge of hazardous materials on or about the Property.
530

531 For purposes of the Offer, the Buyer's attorney, through a trust account, shall be paid and hold any earnest money in
532 accordance with Lines 370 to 395 of the Offer. Any and all references to "Broker" therein shall be substituted with and
533 shall refer to the Buyer's attorney.
534

535 This Offer was drafted by [Licensee and Firm] Attorney Robert N. Duimstra, Mann Law Firm, Ltd.

536 _____ on August 16, 2012

537 (x)  _____
538 Buyer's Signature ▲ Print Name Here ► Jeffrey R. Lang, Member 8.20.12
Date ▲

539 (x) _____
540 Buyer's Signature ▲ Print Name Here ► _____
Date ▲

541 **EARNEST MONEY RECEIPT:** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
542 _____ Broker (by)

543 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER**
544 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON**
545 **THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

546 (x) _____
547 Seller's Signature ▲ Print Name Here ► _____
Date ▲

548 (x) _____
549 Seller's Signature ▲ Print Name Here ► _____
Date ▲

550 This Offer was presented to Seller by [Licensee and Firm] _____
551 _____ on _____ at _____ a.m./p.m.

552 This Offer is rejected _____ This Offer is countered [See attached counter] _____
553 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

WB-44 COUNTER-OFFER

Counter-Offer No. 1 by (Buyer/Seller) **STRIKE ONE**

1 The Offer to Purchase dated 08/20/2012 and signed by Buyer Trident Real Estate, LLC,
2 for purchase of real estate at Lot 4 of CSM 5484 (Midway Business Park)
3 is rejected and the following Counter-Offer is hereby made. All terms and conditions remain the same as stated in the
4 Offer to Purchase except the following: [CAUTION: This Counter-Offer does not include the terms or conditions in
5 any other Counter-Offer unless incorporated by reference.]

6 1. Purchase Price to be Fifty Thousand dollars (\$50,000).

7
8 2. Lines 63 & 64 of the Offer to Purchase shall be omitted.

9
10 3. Line 82 of the Offer to Purchase; Uncheck box. 2012 real estate tax is \$0.

11
12 4. Line 331-332 of the Offer to Purchase; omit the words "and a written determination by a
13 qualified independent third party that none of these prohibit or significantly delay or
14 increase the costs of the proposed use or development identified at lines 306-308."

15 Seller will provide copies of documents in its possession.

16
17 5. Line 432 of the Offer to Purchase; GAP Coverage shall be at Buyer's expense.

18
19 6. See CITY OF MENASHA RESTRICTIVE CONVENANTS Midway Business Park; attached hereto and
20 incorporated herein.

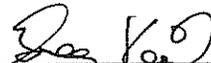
21
22 7. Buyer acknowledges that CB Kidz, LLC (Pat Gamsky, Member) has a Right-of-First-Refusal
23 to purchase Property. Sellers obligations under the Offer to Purchase are contingent on
24 the waiver of CB Kidz, LLC of the right-of-first-refusal.

25
26 8. "Final Acceptance" of the Offer this Counter-Offer and or any subsequent
27 counter-offer(s) shall be subject to the approval of the City of Menasha Common Council.

28
29
30 Any warranties, covenants and representations made in this Counter-Offer survive the closing of this transaction.
31 This Counter-Offer is binding upon Seller and Buyer only if a copy of the accepted Counter-Offer is delivered to the Party
32 making the Counter-Offer on or before September 5, 2012 (Time is of the
33 Essence). Delivery of the accepted Counter-Offer may be made in any manner specified in the Offer to Purchase, unless
34 otherwise provided in this Counter-Offer.

35 **NOTE: The Party making this Counter-Offer may withdraw the Counter-Offer prior to acceptance and delivery as**
36 **provided at lines 31-34.**

37 This Counter-Offer was drafted by Robert Drifka, Drifka Group Inc. on 08/28/2012.
38 Licensee and Firm ▲ Date ▲

39  8/29/12
40 Signature of Party Making Counter-Offer ▲ Date ▲ Signature of Party Making Counter-Offer ▲ Date ▲
41 Print name ► City of Menasha By: Print name ►

42 GREG KEIL
43 Signature of Party Accepting Counter-Offer ▲ Date ▲ Signature of Party Accepting Counter-Offer ▲ Date ▲
44 Print name ► Print name ►

45 This Counter-Offer was presented by _____ on _____.
46 Licensee and Firm ▲ Date ▲

47 This Counter-Offer is (rejected) (countered) **STRIKE ONE** (Party's Initials) _____ (Party's Initials) _____

48 **NOTE: Provisions from a previous Counter-Offer may be included by reproduction of the entire provision or**
49 **incorporation by reference. Provisions incorporated by reference may be indicated in the subsequent Counter-Offer**
50 **by specifying the number of the provision or the lines containing the provision. In transactions involving more than**
51 **one Counter-Offer, the Counter-Offer referred to should be clearly specified.**

52 **NOTE: Number this Counter-Offer sequentially, e.g. Counter-Offer No. 1 by Seller, Counter-Offer No. 2 by Buyer, etc.**

CITY OF MENASHA RESTRICTIVE COVENANTS
Midway Business Park

All purchasers of land within the Midway Business Park within the City of Menasha, Winnebago County, Wisconsin shall agree that within 18 months it/he/she will from the date of closing erect a building or structure of 5000 square feet or more for such purpose or purposes as may be permitted, under the terms of any restriction in these covenants, zoning codes, Plan Commission requirements, and in accordance with the building code. In the event a purchaser fails to perform this condition within the time specified, the City shall have the option to repurchase said property for an amount of money equal to the purchase price paid by the purchaser. The City shall have the right to exercise this option until such time as the City, in recordable form, agrees not to exercise this option.

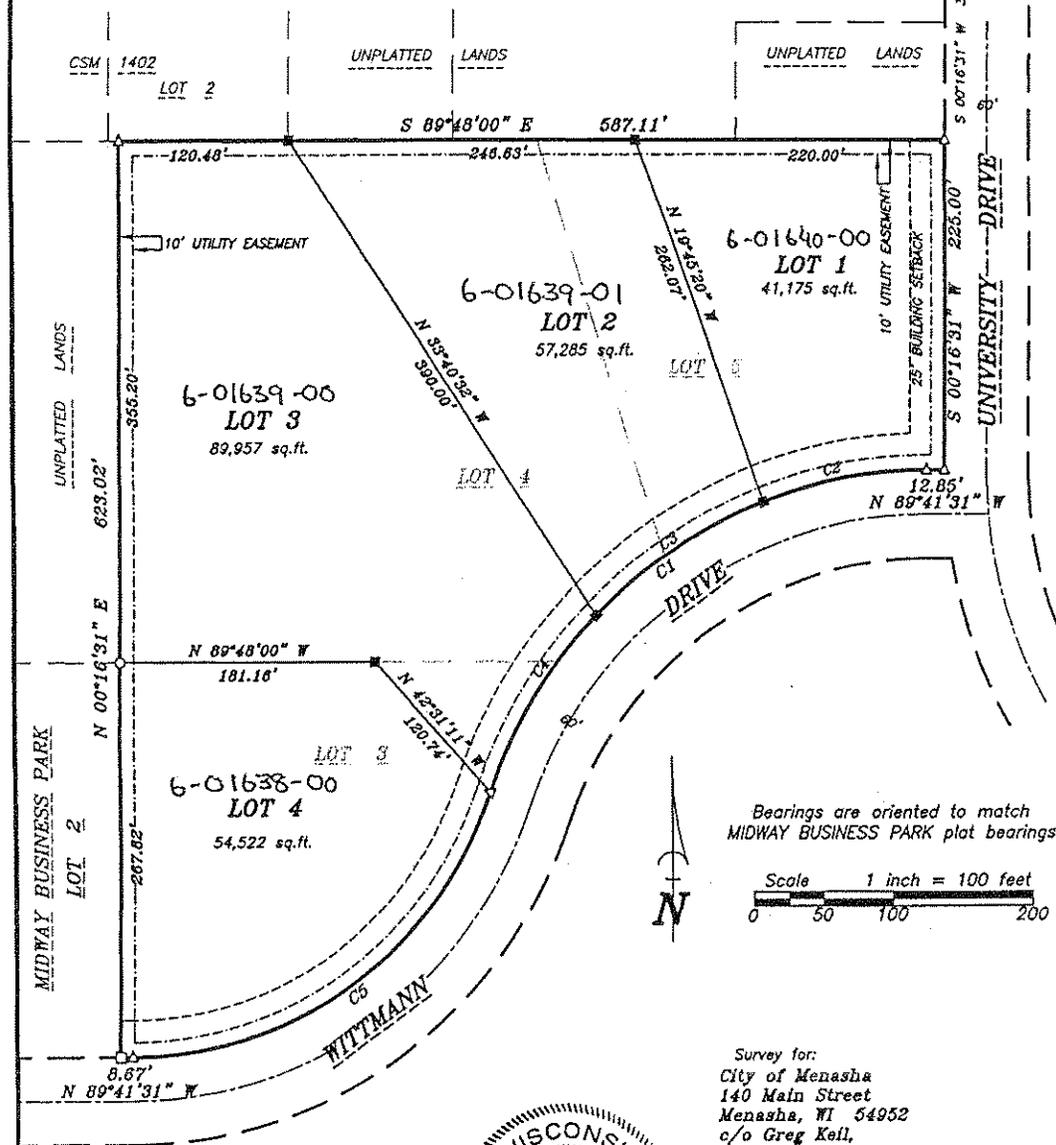
CERTIFIED SURVEY MAP NO. 5484

Lots 3, 4, and 5, MIDWAY BUSINESS PARK, City of Menasha,
Winnebago County, Wisconsin

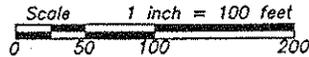
NORTHWEST CORNER
SECTION 12
T20N, R17E
BERNSTEIN MON. FOUND

NORTH 1/4 CORNER
SECTION 12
T20N, R17E
BERNSTEIN MON. FOUND

S 89°48'00" E 2613.61'
1410.12'



Bearings are oriented to match
MIDWAY BUSINESS PARK plot bearings



Survey for:
City of Menasha
140 Main Street
Menasha, WI 54952
c/o Greg Kell,
Community Development Director



Gary A. Zahringer
4-05-04

LEGEND

- 1" IRON PIPE SET, 24" LONG, WEIGHING 1.130 LBS. PER LIN. FOOT
- 3/4" REBAR FOUND
- 1" IRON PIPE FOUND
- △ 1-1/4" REBAR FOUND
- ◇ 2" IRON PIPE FOUND
- ◆ GOVERNMENT CORNER
- * FENCE LINE
- () RECORDED AS

Martenson & Eisele, Inc.

Planning - Surveying - Engineering - Architecture

1377 Midway Road, Menasha, WI 54952
Phone (920) 731-0381 Fax (920) 733-8578

www.martenson-eisele.com
Info@martenson-eisele.com

PROJECT NO. 210-048 C

FIELD BOOK PAGE

FILE 210048c_csm SHEET 1 OF 3

This instrument was drafted by: M.A. Strobel



Memorandum

8-30-2012

To: Administration Committee

From: Patrick James
Supervisor of Network Support

RE: US Cellular contract.

Attached for your consideration is the US Cellular updated state contract pricing, which includes price reduction and elimination of the monthly service fee. We will only pay the taxes/fees for state and federal etc. We pay this now in addition to a \$3.95 per line monthly service connection charge. Plus 5¢ per minute.

This new pricing eliminates the \$3.95 per line fee which will save the city over \$200 a month.

I'm available if you should have any questions.

Thank you,



Proposal and Cellular Service Agreement

Between

U.S. Cellular[®]

And

City of Menasha

Dan O'Day
Business Account Executive
920-428-1894
Dan.oday@uscellular

CONFIDENTIAL



AGREEMENT OVERVIEW

United States Cellular Corporation ("U.S. Cellular") is proud to offer this Cellular Service Agreement ("Agreement") to City of Menasha

U.S. Cellular is a financially sound wireless provider that offers an advanced wireless network which has been aggressively expanded over the last 15 years. U.S. Cellular will continue to expand its network and seek opportunities to maintain U.S. Cellular's standing as a leader in the industry. U.S. Cellular will provide City of Menasha with cost effective rate plans, products and services based on their business needs, and unmatched customer service and support.

EXECUTIVE SUMMARY

City of Menasha Business Objectives

Wireless communication is essential to the overall productivity of City of Menasha. We determined the following priorities as crucial to your business effectiveness:

- Same end date for all lines
- Local support, Superior field support, service, and coverage in all regions
- Competitive rate pricing and ability to change plans
- Smart phone solutions and applications

The U.S. Cellular® Solution

- **U.S. Cellular® will offer a 24-month coterminous agreement.**
- **Multiple layers of local support, plus Business Account Support.**
- **Rate plan changes do not lengthen the contract.**
- **Onsite training for smart phone solutions, FREE battery swap, and contact back up on all phones.**

U.S. CELLULAR® INFORMATION THE COMPANY



At U.S. Cellular, we're not just in the business of connecting calls, we're in the business of connecting people. We believe pride and respect aren't just words, they're words to live by. And we believe the most important thing about your phone is the person on the other end, and we'll work harder than anyone to keep you connected to them. This is U.S. Cellular and we believe in something better.

We focus on having the world's best customer service and delivering industry leading innovations. Our customers receive unique benefits such as a valuable rewards program that recognizes loyalty, new phones faster without continuously signing contracts, free Battery Swap, Overage Protection, and free incoming calls, texts and picture messages. Our strong line-up of cutting-edge devices are designed to simplify and organize your life and they are all backed by our high-speed nationwide network which has the highest call quality of any national carrier. We are rapidly expanding a 4G LTE network, which currently covers 25 percent of customers and will cover 54 percent by the end of 2012

Quick Facts:

- **Founded:** 1983
- **Headquarters:** Chicago, IL
- **Customers:** 5.9 Million
- **Revenue (2011):** \$4 Billion
- **Associates:** 9,000
- **Network:** Fourth generation (4G) Long Term Evolution (LTE) network, Code Division Multiple Access (CDMA)

Customer Care Centers:

- Bolingbrook, IL
- Cedar Rapids, IA
- Knoxville, TN
- Tulsa, OK
- Waukesha, WI

U.S. Cellular believes in the power of the community and has made a commitment to invest more than \$4.5 million in teachers and schools during 2010 and 2011. U.S. Cellular focuses on creating a personal connection with customers that extends beyond our award-winning network and is responding to an issue that is important to communities and affects us all – children's education. We're committed to helping schools through our grassroots initiatives: Calling All Communities and Calling All Teachers.

SUMMARY OF U.S. CELLULAR® BENEFITS



- Large network of retail locations that can provide **Battery Swap** service at no additional cost.
- **My Contacts Backup** for over the air contact refreshment on new/upgraded handsets in the event of lost or damaged phones. **EasyedgeSM** must be active and the application downloaded to the handset to operate.
- State-of-the-art wireless network.
- Complete portfolio of value-added corporate rate structures to meet the varying needs of our business customers.
- Tenured, experienced Business Account Executive to recommend the best wireless plans and services for private-sector, business, and government customers.
- Specialized, dedicated Business Support team available by toll free number, to help support your account.
- Local Sales Support available for on-site user training, deliveries and other assistance.
- Highest quality products and services at a competitive price.
- Industry leading customer retention record.
- Strong local presence, and community involvement.

LOCAL SERVICE AND SUPPORT STRUCTURE



U.S. Cellular® provides specialized Support Teams for its business accounts. These individuals are some of U.S. Cellular's most experienced, tenured associates whose focus is to provide personalized and professional service.

Dedicated Local BAE:

U.S. Cellular provides a **Business Account Executive (BAE)** to business and government accounts for personal and local sales representation. These representatives work closely with customers to understand their business needs and offer services and rate plans specifically suited to those needs.

Dan O'Day
920-428-1894
Dan.Oday@uscellular.com

Dedicated Local Sales Support Specialist:

U.S. Cellular will provide a local Sales Support Specialist to assist your business account by facilitating phone training for new users, fulfilling orders, delivering or shipping equipment, answering questions regarding products and services, and other field support.

Troy Isajiw
920-858-9699
troy.isajiw@uscellular.com

Business to Business Billing Support:

City of Menasha will also have access to a specialized Business to Business Customer Service and Billing Support Team.
Business Support -800-819-9373

Roamer Support Center

Roamer Support Center: 1-888-872-7462



RECOMMENDED RATE PLAN'S:

U.S. Cellular® offers a variety of business rate solutions designed for City of Menasha.

All of U.S. Cellular's Business plans include nationwide long distance calling as well as productivity tools such as voice mail, caller ID, call waiting, call forwarding, detailed billing (at your request) and 3-way calling at no additional charge.

State of WI & Authorized User Rate Plans

| State Voice Plan - Local/National | | | | |
|--|----|------------|----|-------------------|
| | | MRC | | Per Minute |
| Incoming | \$ | - | \$ | 0.05 |
| Outgoing | \$ | - | \$ | 0.05 |
| Toll Free | \$ | - | \$ | 0.05 |
| Mobile to Mobile | \$ | - | \$ | 0.05 |
| Domestic Long Distance | \$ | - | \$ | - |
| Intrastate Roaming | \$ | - | \$ | - |
| Interstate Roaming | \$ | - | \$ | - |
| Directory Assistance (per call) | \$ | - | \$ | 1.95 |

| Alternate Rate Plan Discount | |
|---|-----|
| Percentage discount from Published Monthly Access Charge, (Excludes any rate plans that earn Reward Points) | 25% |

| Voice/Smartphone Plan Add-On Features | | | |
|--|----|------------|-----------------------|
| | | MRC | Per MB overage |
| Unlimited Mobile to Mobile | \$ | 10.00 | N/A |
| Unlimited CALL ME Minutes | \$ | 10.00 | N/A |
| Tethering (smartphone feature only) | \$ | 25.00 | \$.49/MB |



| Text Packages | | | | |
|---------------------------------|----------|------------------|-----------------------|-----------------------|
| | MRC | Per Text overage | Included Outgoing Msg | Included Incoming Msg |
| Pay As You Go Text Messaging | \$ 0 | \$ 0.10 | 0 | Unlimited |
| Text Messaging 250 | \$ 4.95 | \$ 0.10 | 250 | Unlimited |
| Text Messaging 750 | \$ 9.95 | \$ 0.10 | 750 | Unlimited |
| Unlimited Text Messaging | \$ 14.95 | \$ 0.10 | Unlimited | Unlimited |
| Unlimited TXT/PIX-VID Messaging | \$ 19.95 | N/A | Unlimited | Unlimited |

| Smartphone Data Plan | | |
|---|----------|----------------|
| | MRC | Per MB overage |
| Cost Per Line Per Month for Access (5GB) *** Includes BB BES, Android, and Windows Mobile® | \$ 24.95 | \$ 0.10 |
| Cost Per Line Per Month for Access (2GB) | \$ 25.00 | \$10/GB |

| Aircard / Hotspot / Tablet Data Plan | | |
|--|----------|-------------------|
| | MRC | Per MB/GB overage |
| Cost Per Line Per Month for Access (5GB) | \$ 40.00 | \$10/GB |
| Cost Per Line Per Month for Access (2GB) | \$ 22.00 | \$10/GB |



EQUIPMENT/HANDSET PRICING

City of Menasha will receive discounted equipment pricing that U.S. Cellular® will offer with a two-year service contract. The discounted pricing listed below applies to all new activations and eligible equipment upgrades.**

U.S. Cellular® phone handset and pricing offer:

Voice Equipment

*** All equipment is subject to 1 upgrade in a 2 year contract period ***

| | | Price |
|--------------------|----|-------|
| Samsung Chrono 2 | \$ | 0.01 |
| Samsung Freeform 4 | \$ | 0.01 |

Smartphone Equipment

*** All equipment is subject to 1 upgrade in a 2 year contract period ***

| | | Price |
|------------------------|----|--------|
| BlackBerry® 9350 Curve | \$ | 0.99 |
| Motorola Electrify | \$ | 150.99 |
| Samsung Galaxy II | \$ | 150.99 |

Aircard & Hotspot Equipment

*** All equipment is subject to 1 upgrade in a 2 year contract period ***

| | | Price |
|--|----|-------|
| PCD UM185 Data Card (requires 2GB or higher Data Plan) | \$ | 0.01 |
| SamsungSCH-LC11 Hotspot (requires 2GB or higher Data Plan) | \$ | 0.01 |

Other Equipment

*** All equipment is subject to 1 upgrade in a 2 year contract period ***

| | | Price |
|--|----|--------|
| HTC Flyer (requires 2GB or higher Data Plan) | \$ | 449.99 |



All other equipment pricing follow the formula listed below:
***** Formula is based on the RETAIL Price of equipment not specifically listed above *****

| | Fixed % Discount (off retail price) | Fixed Dollar Credit (taken after fixed % discount is applied off retail) |
|---|--|---|
| Voice Only Handheld Device | 25% | \$ 100.00 |
| Combined Voice and Data Handheld Device | 25% | \$ 299.00 |
| Data Only Device excluding Tablets | 25% | \$ 100.00 |
| Tablets (2GB data plan mandatory) | 25% | \$ 150.00 |
| Accessories | 25% | |

These handsets include a color screen, battery, wall charger and ear bud.
 U.S. Cellular reserves the right to substitute comparable models due to manufacturer's availability.

Lines of service on which the phone handset was purchased at least 18 months previously are eligible for upgrade at the discounted prices listed above.

| Fee Schedule | | | |
|------------------------------------|----|-------|--------------------------------|
| Federal Universal Service Fund Fee | \$ | 0.50 | Per CTN |
| WI Police & Fire Fee | \$ | 0.75 | Per CTN for the 1st 10 CTN's |
| WI Police & Fire Fee | \$ | 0.075 | Per CTN for lines 11 & greater |

PARTNER EMPLOYEE DISCOUNT PROGRAM (PEDP) (RATES AND DISCOUNTS MAY BE SUBJECT TO CHANGE)



Discounted Service for Your Associates

City of Menasha partnership with U.S. Cellular® qualifies your employees for a discount on their consumer wireless service! If PEDP requirements are met, both current and new customers employed by City of Menasha will be able to take advantage of this discount and great customer service that U.S. Cellular has become known for.

Gaining access to the discount is easy! Associates simply visit www.uscellular.com/partner. Upon entering their name and corporate e-mail address they will receive an e-mail with their discount. They will then simply be prompted to continue with the process and have the discount applied.

Requirements:

- City of Menasha must maintain at least 21 lines of service during the term of this Agreement. (changes to the number of active lines on the corporate account may impact discount rate)
- Discount will only be applied to the voice plan portion (On Belief Plans the discount applies to the voice, messaging and data bundle)
- Single line plans must have a monthly service charge of \$69.95 or greater
- Family Plans must have a monthly service charge of \$99.99 or greater
- Not eligible on Wireless Modem or data only plans



TERMS OF AGREEMENT

Under this Agreement, all lines will be under contract for a period of twenty-four months from the date of U.S. Cellular’s execution of this Agreement. The Terms and Conditions of this Agreement, attached hereto and made a part of this Agreement as Exhibit A, shall control the provision of Service to City of Menasha. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall govern and control.

- **City of Menasha Corporate Activation Fees are Waived**
- **Termination Fees** - \$150.00/line per line Feature Phones, Modems, Hotspot devices
\$350.00 per line for Smartphones and Tablets.
- **Expiration Date of Contract:** Twenty-four months from date of contract signing by U.S. Cellular.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

UNITED STATES CELLULAR CORPORATION

City of Menasha

By : _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A



TERMS AND CONDITIONS OF AGREEMENT

These are the Terms and Conditions for Service between the customer ("you") and United States Cellular Corporation on behalf of its operating licensed affiliates doing business as U.S. Cellular in your Home Market, as defined below ("U.S. Cellular", "we" or "us"). "Service" refers to the telecommunication services/programs, including voice and data services, you purchase from U.S. Cellular. Your "Agreement" includes (1) these Terms and Conditions, (2) the Service Agreement ("Service Agreement") on which you applied for Service, (3) the terms and conditions (typically, but not exclusively, included in the applicable brochure or literature) applicable to each Service, and (4) if you purchase data services, the additional terms posted at www.uscellular.com/termsandconditions.

Eligibility

You are eligible for Service only if you or your employer has a billing address within U.S. Cellular's licensed market area. If you meet the eligibility requirement only through your employment address, you may only be eligible for certain rate plans. All accounts you have with us must be kept in good standing in order to be eligible for Service. If any account is not in good standing, all accounts are subject to suspension and/or termination.

Term/Termination/Early Termination Fee

This Agreement is effective on the day we activate your Service and continues until terminated in a manner as provided below. You may terminate Service at any time by notifying U.S. Cellular. Termination by you shall be effective immediately unless you request a later termination date. A request to port your number is a request by you to terminate Service immediately. Your monthly recurring Services and the applicable charges for those monthly recurring Services shall be prorated to coincide with the termination date. Depending on the amount of Service that you have used during the month of termination, such a proration may result in you incurring overage charges. U.S. Cellular may terminate or suspend your Service at any time without notice if you fail to perform any obligations of this Agreement including the restrictions and obligations set forth in the paragraphs regarding "Use of Service" and "Payment and Due Date." Additionally, U.S. Cellular may terminate this Agreement at any time without notice if we cease to provide Service in your Home Market. If the Agreement is terminated for any reason during the Initial Term ("IT") other than pursuant to (i) the "Changes to Relationship" paragraph below, (ii) any applicable U.S. Cellular guaranty period or (iii) U.S. Cellular ceasing to provide Service in your Home Market, you may be assessed an Early Termination Fee ("ETF"). The duration of the IT and initial value of the ETF are defined in your Service Agreement. Each line of Service shall be subject to



a separate ETF. Starting in the 5th month of the Agreement and each month thereafter, the ETF will be reduced by a ratable amount for the remaining months of the IT. By way of example, an ETF of \$150.00 for a 2 year IT will be reduced by \$7.50 each month and an ETF of \$350 for a 2 year IT will be reduced by \$17.50 each month over the last 20 months of the IT. Upon termination for any reason, you are responsible for the payment of all charges. If your Service is reinstated, you may be charged a reactivation fee.

Use of Service

At least 50% of your monthly voice usage must be used in U.S. Cellular's licensed markets. No more than 200 MB of your data usage in any month may be used in U.S. Cellular's non-licensed markets. Service is furnished for your use only; you may not resell Service to third parties. You may not use the Service for any unlawful, improper, harassing or abusive purpose or in such a way that interferes with U.S. Cellular's network, business operations, employees or customers. U.S. Cellular may, in its sole discretion, block access to certain categories of numbers (e.g., 976, 900 and international designations)

Payment and Due Date

You are responsible for payment of all charges on your bill, including but not limited to telecommunications-related charges (such as monthly access, airtime, roaming, toll, long distance, directory assistance, application charges and data network usage); charges for other discretionary goods and services (such as ringtones, graphics, games and other on-line content) regulatory cost recovery charges (such as Universal Service Fund, Enhanced 911 and Wireless Number Portability); surcharges; and taxes. Regulatory cost recovery fees, surcharges, and taxes are subject to change without notice. Payments are late if not received by U.S. Cellular by the due date shown on the monthly bill. We may charge a late fee of up to \$5.00 for each late payment or 1.5 percent a month or part thereof (18% annually or the highest rate permitted by applicable state law) for any amount not paid when due, whichever is greater. We may charge you a returned check fee for a check returned for any reason. You agree to reimburse U.S. Cellular for its costs, including reasonable attorneys' fees, collection fees and similar expenses incurred by U.S. Cellular with respect to collection of payment (except where prohibited by law). We will refund final credit balances of less than \$1 only upon request.

Coverage

You understand that Service may be interrupted or unavailable due to atmospheric or topographical conditions, governmental regulations or orders, or system capacity limitations. Representations of coverage by U.S. Cellular or its agents are not guarantees.



Lost or Stolen Phones

You are responsible for all authorized charges on your phone. If you claim unauthorized charges on account of a lost or stolen phone, you must report your phone as lost or stolen immediately so that we may investigate your claim. We will investigate any claims of unauthorized charges within 30 days. You agree to cooperate with our investigation and to submit any relevant documentation that you have such as a police report or a sworn statement. You will not be required to pay any disputed charges while we investigate. If we determine that the charges are unauthorized, we will credit your account.

Deposits

U.S. Cellular may require a deposit from you to guarantee payment of charges for Service and from time-to-time may increase the deposit based on your usage and payment history. Deposits will only be returned to you after a minimum of 11 consecutive months of satisfactory payment history. U.S. Cellular may apply deposits or payments to any charges you owe us on any account. Interest will not be paid on deposits unless required by law.

Billing Practice

Your monthly Service fee will be billed in advance and your usage charges not covered by your monthly Service fee will be billed in arrears. Each partial minute of airtime will be rounded up and billed as a full minute. You may be charged for calls that are not completed but ring longer than 59 seconds. For completed calls, you will be billed from the time you push the "send" button until you terminate your call by pushing the "end" button on your phone. "Application charges" include the non-recurring and/or monthly subscription fees incurred when you purchase data applications. "Data network usage charges" are the charges for transferring data (i.e., downloading applications, accessing the Internet, etc.) rendered in units of kilobytes or megabytes. Each partial kilobyte of data transferred will be rounded up and billed as a full kilobyte. Text, Picture and Video Messaging are billed per address/recipient.

YOU MAY SEEK A CREDIT OR REFUND FOR ERRORS IN BILLING FOR UP TO 180 DAYS AFTER ISSUANCE TO YOU OF THE BILL ON WHICH THE ERROR IS CONTAINED BY CONTACTING U.S. CELLULAR AS PROVIDED ON YOUR BILL. YOU WILL HAVE WAIVED YOUR RIGHT TO DISPUTE THE BILL AND TO BRING, OR PARTICIPATE IN, ANY LEGAL ACTION RAISING SUCH DISPUTE IF YOU FAIL TO DISPUTE THE CHARGE ON YOUR BILL WITHIN 180 DAYS AFTER THE ISSUANCE OF THE BILL. WE MAY ALSO BACK BILL YOU FOR ANY ERROR THAT RESULTS IN AN UNDERBILLING TO YOU WITHIN 180 DAYS OF THE ISSUANCE OF THE BILL THAT SHOULD HAVE REFLECTED THE UNDERBILLED CHARGE.

Billing Out of Area Calls. Billing for some calls made/received by you outside of the



home U.S. Cellular switch to which your account is assigned at the time your service is established ("Home Market") may occur after the close of your regular billing cycle. Typically this occurs when you make/receive calls late in your billing cycle outside your Home Market such as when you are roaming on another carrier's network or are making/receiving calls on a U.S. Cellular network other than your Home Market. When this occurs, the minutes used, and associated charges, will be applied against your monthly calling plan in the month that the usage appears on your bill rather than the month the calls actually occurred.

Changes to Relationship

We may amend the Agreement at any time by providing notice to you. If we make Material Changes to the Agreement that you do not agree with, you may cancel your Agreement without incurring an ETF by notifying us within 30 days after notice to you of the change. "Material Changes" shall be only those changes that result in an increase to the rates that we charge you for services under your Price Plan as specified in your Service Agreement. Changes to charges permitted to be collected by any governmental authority (such as for the Universal Service Fund) or which pass through the expense of taxes imposed on the Service or which relate to other Services for which you are under no term commitment as well as other non-monetary changes to the Terms and Conditions shall not constitute Material Changes to this Agreement. If you use the Service after the 30-day period, you agree to be bound by any Material Changes.

Privacy/Acceptable Use/Copyright

U.S. Cellular strives to protect the privacy and intellectual property rights of our customers. We may collect, process and share personal information about you or your account consistent with our privacy policy, available at www.uscellular.com, without further specific notice to you. You can also view U.S. Cellular's acceptable use and copyright policies at www.uscellular.com.

Credit Information

You authorize consumer reporting agencies to periodically furnish U.S. Cellular with your consumer report. You authorize U.S. Cellular to periodically disclose your account information and payment history to consumer reporting agencies.

Limits of Liability

U.S. CELLULAR'S LIABILITY REGARDING YOUR USE OF THE SERVICES OR EQUIPMENT, OR THE FAILURE OF OR INABILITY TO USE THE SERVICES OR EQUIPMENT, IS LIMITED TO THE CHARGES YOU INCUR FOR SERVICES OR EQUIPMENT DURING THE AFFECTED PERIOD. THIS MEANS U.S. CELLULAR IS NOT LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (SUCH AS



LOST PROFITS OR LOST BUSINESS OPPORTUNITIES), PUNITIVE OR EXEMPLARY DAMAGES, OR ATTORNEYS' FEES.

Disclaimer of Warranties

U.S. CELLULAR MAKES NO WARRANTY REGARDING THE SERVICES, EQUIPMENT AND SOFTWARE AND DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE TO THE EXTENT PERMITTED BY STATE LAW. U.S. CELLULAR IS NOT RESPONSIBLE FOR CIRCUMSTANCES BEYOND ITS CONTROL, INCLUDING WITHOUT LIMITATION, ACTS OR OMISSIONS OF OTHERS, ATMOSPHERIC CONDITIONS, OR ACTS OF GOD. U.S. CELLULAR DOES NOT MANUFACTURE EQUIPMENT OR SOFTWARE, AND YOUR ONLY WARRANTIES AND REPRESENTATIONS WITH RESPECT TO EQUIPMENT OR SOFTWARE ARE THOSE PROVIDED BY THE MANUFACTURER UNLESS AND ONLY TO THE EXTENT THAT APPLICABLE STATE LAW IMPOSES WARRANTY OBLIGATIONS ON U.S. CELLULAR.

Assignment

U.S. Cellular may assign this Agreement without notice to you. You may assign this Agreement only with U.S. Cellular's consent.

Entire Agreement

This Agreement is the entire agreement between you and U.S. Cellular. This Agreement supersedes any inconsistent or additional promises made to you by any employee or agent of U.S. Cellular.

Arbitration. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE RESOLVED BY BINDING ARBITRATION AT THE REQUEST OF EITHER PARTY PURSUANT TO THE WIRELESS INDUSTRY ARBITRATION RULES AS MODIFIED BY THIS AGREEMENT AND AS ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). WE SHALL BE FULLY RESPONSIBLE FOR FILING, ADMINISTRATION AND ARBITRATOR FEES AND WE WILL ADVANCE, OR REIMBURSE YOU FOR, ANY REASONABLE FILING, ADMINISTRATION AND ARBITRATOR FEES FOR ANY ARBITRATION INITIATED IN ACCORDANCE WITH THIS PARAGRAPH. WE WILL REIMBURSE YOU FOR YOUR REASONABLE ATTORNEYS' FEES AND COSTS IF THE ARBITRATOR AWARDS YOU AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT YOU HAVE DEMANDED IN SUCH ARBITRATION. THE AMERICAN ARBITRATION ASSOCIATION SHALL ADMINISTER THE ARBITRATION AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. BOTH PARTIES



ACKNOWLEDGE THAT THIS AGREEMENT IS A TRANSACTION INVOLVING INTERSTATE COMMERCE, AND IS THEREFORE GOVERNED BY THE FEDERAL ARBITRATION ACT. BY AGREEING TO ARBITRATION, BOTH PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT INCLUDING ANY RIGHT TO A JURY TRIAL. UNLESS YOU AND WE OTHERWISE MUTUALLY AGREE, ALL HEARINGS UNDER SUCH ARBITRATION SHALL TAKE PLACE IN THE COUNTY OF YOUR BILLING ADDRESS. AT YOUR OPTION, YOU MAY BRING AN ACTION AGAINST US IN SMALL CLAIMS COURT, NOTWITHSTANDING THIS AGREEMENT. THE PARTIES AGREE THAT ALL CLAIMS, WHETHER IN ARBITRATION OR IN SMALL CLAIMS COURT, SHALL BE TREATED INDIVIDUALLY AND THERE SHALL BE NO CONSOLIDATION OF CLAIMS, CLASS ACTIONS, REPRESENTATIVE ACTIONS OR PRIVATE ATTORNEY GENERAL ACTIONS. U.S. CELLULAR EXPRESSLY REJECTS AND DOES NOT CONSENT TO ANY CONSOLIDATION OF CLAIMS OR CLASS ACTION IN THE ARBITRATION. THIS ARBITRATION AGREEMENT SURVIVES THE TERMINATION OF THIS SERVICE AGREEMENT. FOR ADDITIONAL INFORMATION ON COMMENCING ARBITRATION AND HOW THE ARBITRATION PROCESS WORKS, YOU MAY CALL THE AMERICAN ARBITRATION ASSOCIATION AT 800-778-7879 OR VISIT THEIR WEBSITE AT WWW.ADR.ORG.

Directory Information

U.S. Cellular does not publish directories of our customers' phone numbers nor do we provide our customers' phone numbers to third parties for publication in directories.

No Waiver; Severability

U.S. Cellular's failure to enforce any right or remedy available under this Agreement is not a waiver. If any part of this Agreement is held invalid or unenforceable, the remainder of this Agreement will remain in force.

Errors

We reserve the right to correct any errors or omissions in the Agreement.



NEENAH-MENASHA SEWERAGE COMMISSION

101 Garfield Avenue • Menasha, Wisconsin 54952-3397

(920) 751-4760 • Fax (920) 751-4767 • e-mail info@nmscwwtp.com

August 30, 2012

Mayor Don Merkes
City of Menasha
140 Main Street
Menasha, WI 54952

RE: NMSC Wastewater Treatment Plant Modification Project

Dear Mayor Merkes;

This is a follow up to our meeting today with yourself and other City of Menasha employees to discuss the status of the NMSC project – where we are and what actions need to occur for us to proceed with the project and to obtain Clean Water Fund (CWF) financing.

- In October 2011, the NMSC obtained short term financing (bond anticipation note) to bridge the gap in financing until CWF proceeds would be obtained. The projection at that time was to receive CWF proceeds by May 2012. The short term financing is structured with a December 1, 2012 due date.
- Plant equipment was bid and ordered.
- The project included the NMSC building a bio-solids storage building in the Town of Greenville, and as you are well aware, that effort fell apart and did not occur.
- The results of not building in the Town of Greenville created delays in completing the plant design; uncertainty of a bio-solids site created design delays due to the uncertainty of where some pieces of equipment related to solids dewatering may be placed in the plant design.
- Eventually decisions were made which allowed for the continuation and completion of the plant design.
- The delay in the plant design also delayed when we would receive CWF proceeds.
- The NMSC is now in a situation of the short term financing coming due on December 1, 2012 and CWF proceeds now are projected to be obtained in January 2013 creating the need to redo the short term financing. The short term financing needed will exceed the limit our local institution is able to provide and they will need to seek additional funding with other financial institutions to meet the immediate needs of the NMSC.
- To obtain the additional short term financing, the NMSC is expected to provide assurances to the local bank we have commitments from the communities they will obtain CWF financing for the NMSC project. The local bank indicated the conditional approvals already passed would be problematic in redoing the short term financing.
- The bid opening for the Wastewater Treatment Plant Modification project is scheduled for September 13.
- Special Meeting to award bids – contingent on financing, is scheduled for September 18.

RECEIVED AUG 31 2012

- There are some equipment delivery timing issues that require us to have a contractor on site by mid-October.
- The project includes replacing the backup generator to comply with current EPA air emission standards and to continue receiving income from WPPI as a stand-by unit (\$58,000/yr). Failure to have this unit installed and operational by December 31, 2012 to meet current air emission standards will require us to spend an additional \$1,000,000 (approx.) to meet the new air emission standards.
- As indicated earlier, the current schedule for anticipated receipt of CWF proceeds is now January 2013. We have met with the other communities and anticipate their support and removal of restrictions placed on the NMSC for obtaining the CWF.
- During this entire process, the NMSC Attorney has been working on obtaining some form of guarantee from Sonoco; Sonoco has not said no to having a form of guarantee. We feel we are moving closer to reaching an acceptable agreement.

Items needed by the NMSC to continue:

- Community commitment to the Project and CWF borrowing from all communities with no conditional approvals.
- All communities to accept the Agency Agreement in concept (copy attached).
- Submittal of the variance request to the State to receive the variance to issue taxable CWF Bonds (copy attached).
- Signing the Clean Water Fund Application.

Thank you for your consideration of these important issues. We will be available at the September 4, 2012 City of Menasha Council meeting to answer questions, but in the meanwhile please don't hesitate to call to discuss this further.

Very Truly Yours,



Randall Much
General Manager

McMAHON

ENGINEERS ARCHITECTS

June 29, 2012

Mayor Don Merkes
City of Menasha
140 Main Street
Menasha, WI 54952

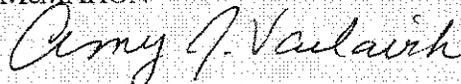
Re: Variance Request for Clean Water Fund Loan
Neenah Menasha Sewerage Commission
McM. No. N0008-910101.21

Dear Mayor Merkes:

Normally Communities that obtain funding through the Clean Water Fund (CWF) issue tax-exempt bonds or notes. Due to the fact that U.S. PaperMills, Inc. is a contract customer of the Neenah-Menasha Sewerage Commission tax-exempt bonds cannot be issued because the IRS would view this as benefiting a private entity. Tax exempt bonds or notes cannot be issued to private entities. Each member community needs to submit a Variance Request to the Department of Administration (DOA) to be allowed to issue taxable, rather than tax-exempt bonds or notes to the State in evidence of the CWF. This change will not impact the interest rate of the CWF borrowing. In the past the DOA has readily issued these variances.

The attached letter has been developed with the assistance of Rebecca Speckhard, Quarles & Brady. Formal action is not required by your governing board for this request to be processed. It is requested that this letter be submitted to the DOA by July 31, 2012. Thank you for your assistance. Please call myself or Rebecca Speckhard if there are questions.

Very truly yours,
McMAHON



Amy J. Vaclavik, P.E., BCEE
Associate / Sr. Project Engineer

Enclosure

cc: Tom Stoffel, Comptroller – City of Menasha
Roger Voigt, NMSC
Rebecca Speckhard, Quarles & Brady
Raymond Zielinski, NMSC
Kathy Bauer, NMSC

July , 2012

Mr. Mike Huebsch, DOA Secretary
Department of Administration, 10th Floor
P. O. Box 7864
Madison, WI 53707-7864

RE: Variance Request for City of Menasha Clean Water Fund Loan

Dear Secretary Huebsch:

The City of Menasha plans to file an application for a Clean Water Fund (CWF) Loan in the approximate amount of \$5,575,700 to fund improvements to the Neenah-Menasha Sewerage Commission's (the "Commission") wastewater treatment plant. The Cities of Menasha and Neenah, the Town of Menasha, the Town of Neenah Sanitary District #2 and the Waverly Sanitary District constitute the active members of the Commission. These improvements are required to replace the aging equipment and maintain treatment capacity to ensure long-term economic viability of the area served by the Commission. Pursuant to Wisconsin Administrative Code Section Adm. 35.09, the City of Menasha requests a variance to allow it to issue taxable, rather than tax-exempt revenue bonds to the State in evidence of the CWF Loan.

The Commission is engaged in negotiating an amended service agreement with an industrial user, U.S. Paper Mills, Inc. (U.S. Paper) whose usage accounts for approximately 17 % of the capacity of the wastewater treatment plant. Several members of the Commission have asked that U.S. Paper guarantee its capital share of the project expenses under the service agreement. The Commission has, in the past, used such an agreement with its large industrial users to ensure that such user pays for the portion of the treatment plant that is allocable to its expected use even if the industry closes its operations. The members of the Commission desire to afford that level of financial protection to their residents and customers. The City of Menasha is advised by bond counsel that the take-or-pay nature of the proposed agreement will cause the bonds issued to the State to be taxable.

If the City of Menasha is unable to issue taxable obligations to the Clean Water Fund Program, the members of the Commission, including the City of Menasha and their residents will suffer significant financial hardship. Either the Commission will have to forego the guarantee under the industrial agreement, in which case the other users of the Commission's sewer system, including those in the City of Menasha, would have to pay the industrial user's share of the cost of this project if for any reason the industry closed down or relocated; or alternatively, the Commission would have to sell taxable obligations on the commercial market, which would result in an increased cost to the users of the Commission's sewer system.

Mr. Mike Huebsch, DOA Secretary

July , 2012

Page 2

The potential effect on the City's sewer rate payers of either of the options described above is very significant. Without an industrial contract in place, the average charges to the member communities could increase approximately 25% to 40%. We are also concerned that passing along the increased costs of non-CWF taxable financing to the industrial user may jeopardize the financial viability of its operations in layoffs and plant closings; and therefore, we want to do all we can to not add any additional costs to the industrial user that are not absolutely necessary. U.S. Paper is one of the area's major employers with approximately 105 employees.

The City of Menasha respectfully requests that a variance be granted to allow it to issue taxable obligations to the State Clean Water Fund Program for this project.

Sincerely,

Mayor Don Merkes

cc: Aaron Heintz, Department of Administration
Roger Voigt, NMSC
Amy Vaclavik, McMAHON

RESOLUTION
AUTHORIZING EXECUTION OF AGENCY AGREEMENT
BETWEEN THE
NEENAH-MENASHA SEWERAGE COMMISSION
AND THE
CITY OF NEENAH, CITY OF MENASHA, TOWN OF MENASHA,
TOWN OF NEENAH SANITARY DISTRICT No. 2,
AND WAVERLY SANITARY DISTRICT OF THE TOWN OF HARRISON

DRAFT: MARCH 21, 2012

WHEREAS, the NEENAH-MENASHA SEWERAGE COMMISSION (the 'Commission'), a Commission created under Section 66.30 (now section 66.0301), Wisconsin Statutes, pursuant to the Neenah-Menasha Sewerage Commission Ordinance-Contract (as amended June 2008) [NOTE: Update if amended prior to approval of this Resolution], (the 'Ordinance-Contract'), which listed initial signers as the CITY OF NEENAH, CITY OF MENASHA, TOWN OF NEENAH, the former TOWN OF MENASHA SANITARY DISTRICT #4; TOWN OF MENASHA, the former TOWN OF NEENAH SANITARY DISTRICT #1, the former TOWN OF NEENAH SANITARY DISTRICT #1-1; TOWN OF NEENAH SANITARY DISTRICT No. 2, TOWN OF HARRISON and TOWN OF HARRISON SANITARY DISTRICT (current legal name is Waverly Sanitary District of the Town of Harrison), operates a Wastewater Treatment Facility (the 'System') as a public utility serving its Member Communities pursuant to the Ordinance-Contract.

WHEREAS, the Town of Menasha Sanitary District No. 4 has been dissolved, and the Town of Menasha has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Neenah Sanitary District No. 1's territory has been annexed into the City of Neenah, which has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Neenah Sanitary District No. 1-1's territory has been annexed into the City of Neenah, which has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Harrison was always a limited contracting municipality to the Ordinance-Contract and is only a party for the purpose of granting easements and not a party for any financial responsibility; and

WHEREAS, the Town of Neenah was always a limited contracting municipality to the Ordinance-Contract and is only a party for the purpose of granting easements and not a party for any financial responsibility; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Commission's Member Communities and the residents thereof, consisting of the construction of the project (the 'Project'), assigned Clean Water Fund ('CWF') Project No. 4115-03 by the Wisconsin Department of Natural Resources (the 'DNR'), and as described in the DNR approval letters for the plans and specifications for the Project or portions thereof, issued under Section 281.41 of the Wisconsin Statutes, dated _____, 20____ and assigned No. _____ by the DNR; and

WHEREAS, CITY OF NEENAH, CITY OF MENASHA, TOWN OF MENASHA, TOWN OF NEENAH SANITARY DISTRICT No. 2, AND WAVERLY SANITARY DISTRICT OF THE TOWN OF HARRISON (the 'Member Communities') are to receive loans from the State of Wisconsin CWF Program to be used for the purpose of paying the cost of the Project and refunding the Commission's Sewerage System Revenue Bond Anticipation Notes, dated _____, 2011 (the "Notes")

issued to provide interim financing for the Project, and are to issue Sewerage System Revenue Bonds or General Obligation Sewerage System Promissory Notes in exchange therefor pursuant to the Financial Assistance Agreements made between the State of Wisconsin by the DNR and Department of Administration and the Member Communities, respectively, dated _____, 20____ (the 'Financial Assistance Agreements');

WHEREAS, on _____, 20____ [NOTE: Will need to keep an eye on timing – may be before or after this date] the governing bodies of the Member Communities are to adopt resolutions authorizing the issuance of Sewerage System Revenue Bonds, Series _____ or General Obligation Sewerage System Promissory Notes, Series _____ (the 'Bonds') for the above-mentioned purposes (the 'Bond Resolutions'); and

WHEREAS, because the Commission operates the System, it is necessary, desirable and in the best interests of the Commission for the Commission to act as agent of the Member Communities in performing certain of their obligations under the Financial Assistance Agreements and Bond Resolutions.

NOW THEREFORE, be it resolved by the Commission that:

Section 1. Execution Of Agency Agreement. The officers of the Commission are authorized, by and on behalf of the Commission, to execute an Agency Agreement with the Member Communities in substantially the form attached hereto as Exhibit A.

Section 2. Redemption of the Notes. The Commission hereby calls the Notes for redemption on _____, 20____ or as soon as practicable thereafter. The Commission directs its officers and agents to take all action necessary to affect the redemption of the Notes.

(Signature page follows)

NEENAH-MENASHA SEWERAGE COMMISSION

Dated: _____, 20 ____.

(Signature)

Dale Youngquist, President

ATTEST:

Kathy Bauer, Secretary/Treasurer

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RESOLUTION AUTHORIZING EXECUTION OF AGENCY AGREEMENT
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EXHIBIT A

**AGENCY AGREEMENT
RELATING TO SEWERAGE SYSTEM REVENUE BONDS, SERIES _____ AND GENERAL
OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTES, SERIES _____**

WHEREAS, the NEENAH-MENASHA SEWERAGE COMMISSION (the 'Commission'), a Commission created under Section 66.30 (now section 66.0301), Wisconsin Statutes, pursuant to the Neenah-Menasha Sewerage Commission Ordinance-Contract (as amended June 2008), (the 'Ordinance-Contract'), which listed initial signers as the CITY OF NEENAH, CITY OF MENASHA, TOWN OF NEENAH, the former TOWN OF MENASHA SANITARY DISTRICT #4; TOWN OF MENASHA, the former TOWN OF NEENAH SANITARY DISTRICT #1, the former TOWN OF NEENAH SANITARY DISTRICT #1-1; TOWN OF NEENAH SANITARY DISTRICT No. 2, TOWN OF HARRISON and TOWN OF HARRISON SANITARY DISTRICT (current legal name is Waverly Sanitary District of the Town of Harrison), operates a Wastewater Treatment Facility (the 'System') as a public utility serving its Member Communities pursuant to the Ordinance-Contract.

WHEREAS, the Town of Menasha Sanitary District No. 4 has been dissolved, and the Town of Menasha has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Neenah Sanitary District No. 1's territory has been annexed into the City of Neenah, which has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Neenah Sanitary District No. 1-1's territory has been annexed into the City of Neenah, which has assumed its rights and obligations under the Ordinance-Contract; and

WHEREAS, the Town of Harrison was always a limited contracting municipality to the Ordinance-Contract and is only a party for the purpose of granting easements and not a party for any financial responsibility; and

WHEREAS, the Town of Neenah was always a limited contracting municipality to the Ordinance-Contract and is only a party for the purpose of granting easements and not a party for any financial responsibility; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Commission's Member Communities and the residents thereof, consisting of the construction of the project (the 'Project'), assigned Clean Water Fund ('CWF') Project No. 4115-03 by the Wisconsin Department of Natural Resources (the 'DNR'), and as described in the DNR approval letters for the plans and specifications for the Project or portions thereof, issued under Section 281.41 of the Wisconsin Statutes, dated _____, 20____ and assigned No. _____ by the DNR; and

WHEREAS, CITY OF NEENAH, CITY OF MENASHA, TOWN OF MENASHA, TOWN OF NEENAH SANITARY DISTRICT No. 2, WAVERLY SANITARY DISTRICT OF THE TOWN OF HARRISON (the 'Member Communities') are to receive loans from the State of Wisconsin CWF Program to be used for the purpose of paying the cost of the Project and refunding the Commission's Sewerage System Revenue Bond Anticipation Notes, dated _____, 2011 (the "Notes) issued to provide interim financing for the Project, and are to issue Sewerage System Revenue Bonds or General Obligation Sewerage System Promissory Notes in exchange therefor pursuant to the Financial Assistance Agreements made between the State of Wisconsin by the DNR and Department of Administration and the Member Communities, respectively, dated _____, 20____ (the 'Financial Assistance Agreements');

EXHIBIT A
To The
RESOLUTION AUTHORIZING EXECUTION OF AGENCY AGREEMENT
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WHEREAS, on _____, 20____ the governing bodies of the Member Communities adopted resolutions authorizing the issuance of Sewerage System Revenue Bonds, Series _____ or General Obligation Sewerage System Promissory Notes, Series ____ (the 'Bonds') for the above-mentioned purposes (the 'Bond Resolutions'); and

WHEREAS, because the Commission operates the System, it is necessary, desirable and in the best interests of the Commission for the Commission to act as agent of the Member Communities in performing certain of their obligations under the Financial Assistance Agreements and Bond Resolutions.

NOW THEREFORE, be it resolved by the Commission that:

Section 1. Agency Provisions. The Commission shall act as agent of the Member Communities in the following matters:

- 1.a. Disbursement Of Bond Proceeds. The Commission shall make requests for disbursement of the proceeds of the Bonds (the 'Bond Proceeds') to the State of Wisconsin CWF Program in accordance with the Financial Assistance Agreements and the Bond Resolutions.
- 1.b. Receipt Of Bond Proceeds. The Commission shall accept disbursements of Bond Proceeds from the State of Wisconsin CWF Program pursuant to the Financial Assistance Agreements and the Bond Resolutions, shall deposit the Bond Proceeds into the respective Project Funds established by the Member Communities pursuant to the Bond Resolutions and shall expend the Bond Proceeds on costs of the Project and refunding obligations issued for that purpose as more fully described in the Financial Assistance Agreements and the Bond Resolutions.
- 1.c. Administration Of Funds. The Commission shall administer the funds enumerated in the Bond Resolutions in accordance with the provisions of the Bond Resolutions and the Financial Assistance Agreements. The Commission shall administer the Operation and Maintenance Funds, Depreciation Funds and the Surplus Funds or Borrowed Money Funds established in the Bond Resolutions as single funds and shall maintain separate Debt Service Funds for the Member Communities. [NOTE: For Communities with bonds already outstanding this may need to be modified]
- 1.d. Charges. The charges imposed on the Member Communities under the Ordinance-Contract will include as a component the total amount of debt service due on the Bonds issued by the Member Communities. The amount of debt service charged to each municipality will be determined on the basis of usage of the Commission facilities in accordance with the general formula for allocation of costs under the Ordinance-Contract. The Commission will allocate the amounts received with respect to debt service to the individual Debt Service Funds so the amount on deposit in each Debt Service Fund is sufficient to pay the principal and interest payable on each Member Communities' Bonds, respectively.
- 1.e. Payment On The Bonds. The Commission shall make payments of principal and interest on the Bonds to the State Of Wisconsin CWF Program from the Debt Service Funds created by the Bond Resolutions in accordance with the repayment schedules provided to the Commission by the Member Communities. Notwithstanding the provision of Section

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To The
RESOLUTION AUTHORIZING EXECUTION OF AGENCY AGREEMENT
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I.d., above, if the amounts deposited in the Debt Service Funds are not sufficient to pay debt on the Bonds, the Member Communities each will remain responsible for payment of the debt service on the Bonds they issued.

Section 2. Observance Of Financial Assistance Agreements And Bond Resolutions. In performing its obligations under this Agreement, the Commission shall observe and not violate, nor shall it cause the Member Communities to violate or fail to observe, any provisions of the Financial Assistance Agreements or the Bond Resolutions. The Commission shall also operate and manage the System and the Project in such a manner so as to observe and not violate, or cause the Member Communities to violate or fail to observe, any provisions of the Financial Assistance Agreements or the Bond Resolutions.

Section 3. Allocation Of Revenues To Debt Service Funds. To the extent of the debt service requirements of the Bonds, the Net Revenues of the System allocable to the Member Communities shall be deposited in the Debt Service Funds for the Bonds according to the following proportions:

- 3.a. _____ % to the City Of Neenah Debt Service Fund;
- 3.b. _____ % to the City Of Menasha Debt Service Fund;
- 3.c. _____ % to the Town Of Neenah Sanitary District No. 2 Debt Service Fund;
- 3.d. _____ % to the Town Of Menasha Debt Service Fund; and
- 3.e. _____ % to the Waverly Sanitary District of the Town of Harrison Debt Service Fund;

Section 4. Definitions. Any capitalized items used in this Agreement, which are not defined herein, shall have the meanings given them in the Bond Resolutions.

Section 5. Term Of The Agreement. This Agreement shall bind the parties and shall not terminate until all of the Bonds have either been discharged or defeased, as provided for in the Bond Resolutions. In the event that any portion of this Agreement shall become unenforceable or cease to bind the parties for any reason, the Member Communities shall each perform, with respect to their respective Bonds, any obligations under the Bond Resolutions or Financial Assistance Agreements, which the Commission has become unable to perform.

Section 6. Severability Of Provisions. The invalidity of any provision of this Agreement shall not affect the validity of any other provision.

Dated this _____ day of _____, 20_____.

CITY OF NEENAH, Wisconsin

Mayor

Clerk

Dated this _____ day of _____, 20____.

CITY OF MENASHA, Wisconsin

Mayor

Clerk

Dated this _____ day of _____, 20____.

TOWN OF MENASHA, Wisconsin

Chairperson

Town Clerk

Dated this _____ day of _____, 20____.

TOWN OF NEENAH SANITARY DISTRICT No. 2, Wisconsin

President

Secretary

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To The
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Dated this _____ day of _____, 20____.

WAVERLY SANITARY DISTRICT OF THE TOWN OF HARRISON, Wisconsin

President

Secretary

Dated this _____ day of _____, 20____.

NEENAH-MENASHA SEWERAGE COMMISSION, Wisconsin

Dale Youngquist, President

ATTEST:

Kathy Bauer, Secretary/Treasurer

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To The
RESOLUTION AUTHORIZING EXECUTION OF AGENCY AGREEMENT
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ISSUED: 04/16/2012

McMAHON

ENGINEERS ARCHITECTS

April 16, 2012

Mayor Don Merkes
City Of Menasha
City Hall
140 Main Street
Menasha, WI 54952

Re: Neenah-Menasha Sewerage Commission
Wastewater Treatment Facility Project
DRAFT Agency Agreement
McM. No. N0001-910101.21

Dear Mayor Merkes:

Attached is the Draft Agency Agreement, which is being submitted to you for your information at this time. This Agreement gives the Neenah-Menasha Sewerage Commission (NMSC) the authority to manage the Clean Water Fund (CWF) financing that will be obtained for the Wastewater Treatment Facility project.

As you know, each Member Community will be required to sell bonds to the State to obtain the CWF financing for the project. However, this Agreement will allow NMSC to receive the CWF from the State and to make payments related to the project. NMSC will also collect the funds needed to pay the debt service on the CWF loan from each Community, and will make the debt payments directly to the CWF. All payments associated with the project will be reviewed and approved by the NMSC prior to payment.

This Draft Agency Agreement is to be adopted by each Member Community later this summer, when all of the CWF financing paperwork is processed. This is being sent to you at this time so there is sufficient time for review. The Agreement has been reviewed by Rebecca Speckhard, Quarles & Brady; Aaron Hinz, Department of Administration; and Meja Maka, Department Of Natural Resources - Environmental Loan Section; and they all agree that the Agreement is acceptable. This Draft Agreement is also being sent to the other NMSC Member Communities.

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April 16, 2012
Mayor Don Merkes
City Of Menasha

Please call if there are questions.

Very truly yours,

McMAHON



Amy J. Vaclavik, P.E., BCEE
Associate / Senior Project Engineer

AJV:smdt

cc: Tom Stoffel, Comptroller - Menasha
Raymond Zielinski - NMSC
Kathy Bauer - NMSC
Randy Much - NMSC

Enclosure