Polk County Board of Supervisors
Resolution No. 14-17
Resolution to Ratify Preliminary Agreements and to Authorize Final Real Estate Agreements Relating to Highway Facility

TO THE HONORABLE BOARD OF SUPERVISORS OF THE COUNTY OF POLK, WISCONSIN:

Gentlemen:

WHEREAS, pursuant to Resolution No. 42-06, the Polk County has developed and negotiated preliminary real estate agreements for the acquisition of lands to be designated, developed and used as the site of a new county highway facility located within the Village of Balsam Lake Industrial Park("Industrial Park);

WHEREAS, on March 8, 2017, the County has reached a preliminary agreement with Bishop Fixtures and Millwork, Inc., ("Bishop"), and Morhub of Wisconsin, LLC., ("Morhub"), to negotiate and enter into a final real estate purchase agreement providing for the County's acquisition of land and buildings of Bishop and Morhub, located in the Industrial Park, as described in said preliminary agreement and on terms and conditions as outlined in said preliminary agreement; and

WHEREAS, on March 9, 2017, the County reached a preliminary agreement with the Village of Balsam Lake ("Village"), to negotiate and enter into a final real estate exchange agreement providing for the transfer to the Village certain lands of the County on which the present Highway Shop is located and for the transfer to the County certain lands of the Village located in the Industrial Park as described in said preliminary agreement and on terms and conditions as outlined in said preliminary agreement; and

WHEREAS, pursuant to County policy, the County Administrator has recommended that the County acquires the land and buildings of Bishop and Morhub as outlined in the preliminary agreement by and between the County and Bishop and Morhub; and

WHEREAS, pursuant to County policy, the County Administrator has recommended that the County transfer the Village lands of the County on which the present Highway Shop is located in exchange for the acquisition of certain lands of the Village as outlined in the preliminary agreement by and between the County and the Village; and

WHEREAS, after giving appropriate notice of meeting, the Committee of the Whole received information during its meeting on March 9, 2017 concerning both preliminary agreements and, by consensus, recommended that the Polk County Board of Supervisors ratify the preliminary agreements and to authorize a final real estate purchase agreement with Bishop and Morhub providing for the acquisition of land and buildings from Bishop and Morhub, as described in the respective preliminary agreement adopted providing for the same and to authorize a final real estate exchange agreement with the Village providing for transfer of County land in exchange for the acquisition of Village land as described in the respective preliminary agreement adopted providing for the same.

NOW, THEREFORE, BE IT RESOLVED that the Polk County Board of Supervisors ratifies the preliminary agreement by and between Polk County and Bishop Fixtures and Millwork, Inc.,

("Bishop"), and Morhub of Wisconsin, LLC., ("Morhub"), providing for the negotiation of the County's purchase of land and buildings of Bishop and Morhub, located in the Industrial Park, as described in said preliminary agreement, which is attached hereto and incorporated herein.

BE IT FURTHER RESOLVED that the Polk County Board of Supervisors ratifies the preliminary agreement by and between Polk County and the Village of Balsam Lake providing for the negotiation of real estate exchange agreement providing for the transfer to the Village lands of the County on which the present Highway Shop is located and the transfer to the County certain lands of the Village located in the Industrial Park as described in said preliminary agreement, which is attached hereto and incorporated herein.

BE IT FURTHER RESOLVED that the Polk County Board of Supervisors authorizes and directs the County Administrator to negotiate, execute and close on behalf of Polk County a final real estate purchase agreement with Bishop and Morhub providing for the acquisition of land and buildings from Bishop and Morhub for a purchase price not to exceed $1,100,000 as described in the respective preliminary agreement ratified herein and on other terms and conditions that the County Administrator determines to be in the best interest of Polk County.

BE IT FURTHER RESOLVED that the Polk County Board of Supervisors authorizes and directs the County Administrator to negotiate, execute and close on behalf of Polk County a final real estate exchange agreement with the Village providing for transfer of County land in exchange for the acquisition of Village land as described in the respective preliminary agreement ratified herein and on other terms and conditions that the County Administrator determines to be in the best interest of Polk County. .

BE IT FURTHER RESOLVED that, pursuant to Wisconsin Statute Section 59.52(6)(c), that at the closing of the above described real estate agreements, the Clerk is directed to execute and convey to the Village of Balsam Lake or Bishop and Morhub, as appropriate, the lands, easements and leasehold interests of the County as described and required in said final real estate agreements.

BE IT FURTHER RESOLVED that, pursuant to Wisconsin Statute Section 65.90(5)(a), the Polk County Board of Supervisors amends the 2017 County Budget and authorizes a transfer from County Fund Balance in the sum of $1,100,000 and the expenditure of said sum for the purchase of land and buildings of Bishop and Morhub.

BE IT FURTHER RESOLVED that the Clerk cause to be published in accordance with Wisconsin statute Section 65.90(5)(a) a copy of this adopted resolution within 10-days of passage, giving proper notice of said budget amendment.

(Continued on Page 3)

Funding Source/ Funding Amount:	Not Applicable
Date Reviewed as to Appropriations:	Not Applicable
Committee Recommendation as To Appropriation:	Not Applicable
Effective Date:	Upon Passage and Publication
Dated Submitted To County Board	March 21, 2017
Submitted By:	_____
Review By County Administrator: ☒ Recommended ☐ Not Recommended ☐ Reviewed Only _____ Dana Frey, County Administrator	Review By Corporation Counsel: ☑ Approved as to Form ☑ Recommended ☐ Not Recommended ☐ Reviewed Only _____ Jeffrey B. Fuge, Corporation Counsel

Acknowledgement of County Board Action

At its regular business meeting on the 21st of March 2017, the Polk County Board of Supervisors considered and acted on the above resolution, Resolution No.14-17: Resolution to Ratify Preliminary Agreements and to Authorize Final Real Estate Agreements Relating to Highway Facility, as follows:

☒ Enacted by two-thirds majority of all members, by a vote of 13 in favor and 2 against.
☐ Enacted by unanimous vote.
☐ Defeated by a vote of _____ in favor and _____ against.
☐ Defeated by voice vote.
☐ Action Deferred by Procedural Action, as follows: _____

SIGNED BY:

Dean Johansen, County Board Chairperson

Attest:

Sharon Jorgenson, County Clerk

CERTIFIED COPY OF POLK COUNTY RESOLUTION

STATE OF WISCONSIN)
) SS
COUNTY OF POLK)

I, Sharon E. Jorgenson, County Clerk for Polk County, do hereby certify that the Attached hereto and incorporated herein is a true and correct copy of Resolution No. 14-17 adopted by the Polk County Board of Supervisors at its regular business meeting held on March 21, 2017.

Sharon E. Jorgenson 3-21-17
Sharon E. Jorgenson, Polk County Clerk Date

cc - Atty cc

PRELIMINARY AGREEMENT

This Preliminary Agreement is made as of this 8 day of March, 2017, by and among Polk County ("Buyer"), and Morhub of Wisconsin, LLC ("Morhub"), a Wisconsin limited liability company, and Bishop Fixture and Millwork, Inc. ("Bishop"), a Minnesota corporation, (Morhub and Bishop are collectively referred to herein as, "Sellers").

RECITALS

A. Sellers own property with parcel numbers of 106-00542-1200, 106-00542-1300, and 106-00549-1200 shown on the map marked as Exhibit A (the "Parcels").

B. The parties have had preliminary discussions regarding a transaction pursuant to which Buyer would purchase the Parcels from Sellers (the "Bishop Transaction") for the purpose of constructing a new county highway facility, as further described in this Preliminary Agreement, the Definitive Document (defined below), and related documents and agreements (the "Global Transaction").

C. Buyer is also seeking to acquire an additional parcel with a parcel number of 106-00549-1300 (the "Village Parcel") owned by the Village of Balsam Lake (the "Village Transaction"), shown on Exhibit A, as part of the Global Transaction.

D. Sellers acknowledge that the Bishop Transaction is contingent upon the closing of the Village Transaction and the consummation of the Global Transaction.

E. The parties desire to set forth their mutual understanding regarding the general terms and conditions of the Bishop Transaction.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the respective covenants and conditions contained herein, the parties hereby agree as follows:

1. Definitive Document. Subject to the terms and conditions set forth in this Preliminary Agreement, each party agrees to negotiate in good faith toward execution of one or more documents (the "Definitive Document") setting forth the terms and structure of, and pursuant to which the parties would effectuate, the Bishop Transaction. The parties shall commence such negotiation promptly upon the execution of this Preliminary Agreement and approval of such Preliminary Agreement by authorized representatives of Buyer.

2. Certain Transaction Terms. The parties contemplate that the Definitive Document will contain the following terms:

2.1 Purchase Price. Buyer would purchase the Parcel from Sellers for $1,100,000.00 (the "Purchase Price") in cash, or other immediately available funds, subject to

adjustment, at the closing of the Bishop Transaction ("Closing") and such Purchase Price would be allocated between Sellers in amounts to be determined. Buyer has calculated the Purchase Price on the basis of information currently known to Buyer and on the basis of certain assumptions. The Purchase Price may be subject to negotiation and change based on newly discovered information through the due diligence process or otherwise prior to the Closing.

2.2 Liabilities. Sellers acknowledge and agree that except as specifically set forth in the Definitive Document or any written assignment and assumption agreements for any specific contracts or other agreements to be delivered at Closing, Buyer has not assumed and will not assume any liabilities or obligations of Seller. All non-assumed liabilities and obligations shall remain the responsibility of Sellers, who shall pay and discharge the same related to the Parcels as of Closing.

2.3 TID. Buyer shall assume all TID payments related to the Parcels. Buyer agrees to continue to reimburse the Village of Balsam Lake annually for improvements to the Parcels which would otherwise have been paid through such TID at an amount not to exceed the 2017 payment and for a period not to exceed twenty (20) years or until the termination or dissolution of tax incremental district 3, whichever is earlier.

2.4 Lease of Parcels. After the Closing, Sellers shall have the option to lease the Parcels from Buyer at no or minimal consideration for a period of up to sixty (60) days for the purpose of allowing Sellers time to vacate the Parcels.

2.5 Closing Contingencies. The Definitive Document will provide for certain conditions to Closing, including the general contingencies of a standard commercial real estate transaction including, but not limited to, contingencies related to financing, title, survey, and environmental.

2.6 Due Diligence. From and ***after*** the date that this Preliminary Agreement has been executed by all parties and has been approved by the Polk County Board, Sellers will authorize its management to allow Buyer and its advisors full access to the facilities, records, key employees and advisors for the purpose of completing Buyer's due diligence review. The due diligence investigation will include, but is not limited to, a complete review of the financial, legal, tax, environmental, intellectual property and labor records and agreements of the Parcels, and any other matters as Buyer's accountants, tax and legal counsel, and other advisors deem relevant.

2.7 Contingent Transaction. The parties acknowledge that the Closing is contingent upon the closing of the Village Transaction and consummation of the Global Transaction.

3. County Board. Buyer shall present this Preliminary Agreement to the Polk County Board-Committee of the Whole at the March 9, 2017, meeting, and the Polk County Board at the March 21, 2017, meeting.

4. Subject to Definitive Document. The terms of this Preliminary Agreement are subject entirely to the execution and delivery of the Definitive Document. Any inconsistencies between this Preliminary Agreement and the Definitive Document shall be resolved in favor of the Definitive Document. If this Preliminary Agreement is terminated or if the Polk County Board does not approve the Preliminary Agreement, all rights and obligations of the parties that arise under this Preliminary Agreement will terminate, and each party will be deemed to release the other party from all such terminated obligations.

5. Non-binding Preliminary Agreement. Nothing contained in this Preliminary Agreement shall be binding upon either Sellers or Buyer.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have executed this Preliminary Agreement as of the date first written above.

POLK COUNTY

By: [signature] Dated: 3/8/7

Name: DANA W. FREY

Title: COUNTY ADMINISTRATOR

Approved as to Form : Jeffrey B. Fuge, Corporation Counsel

MORHUB OF WISCONSIN, LLC

By: [signature] Dated: 3/8/17

Name: MORGAN K. NELSON

Title: PRESIDENT - 50% OWNER

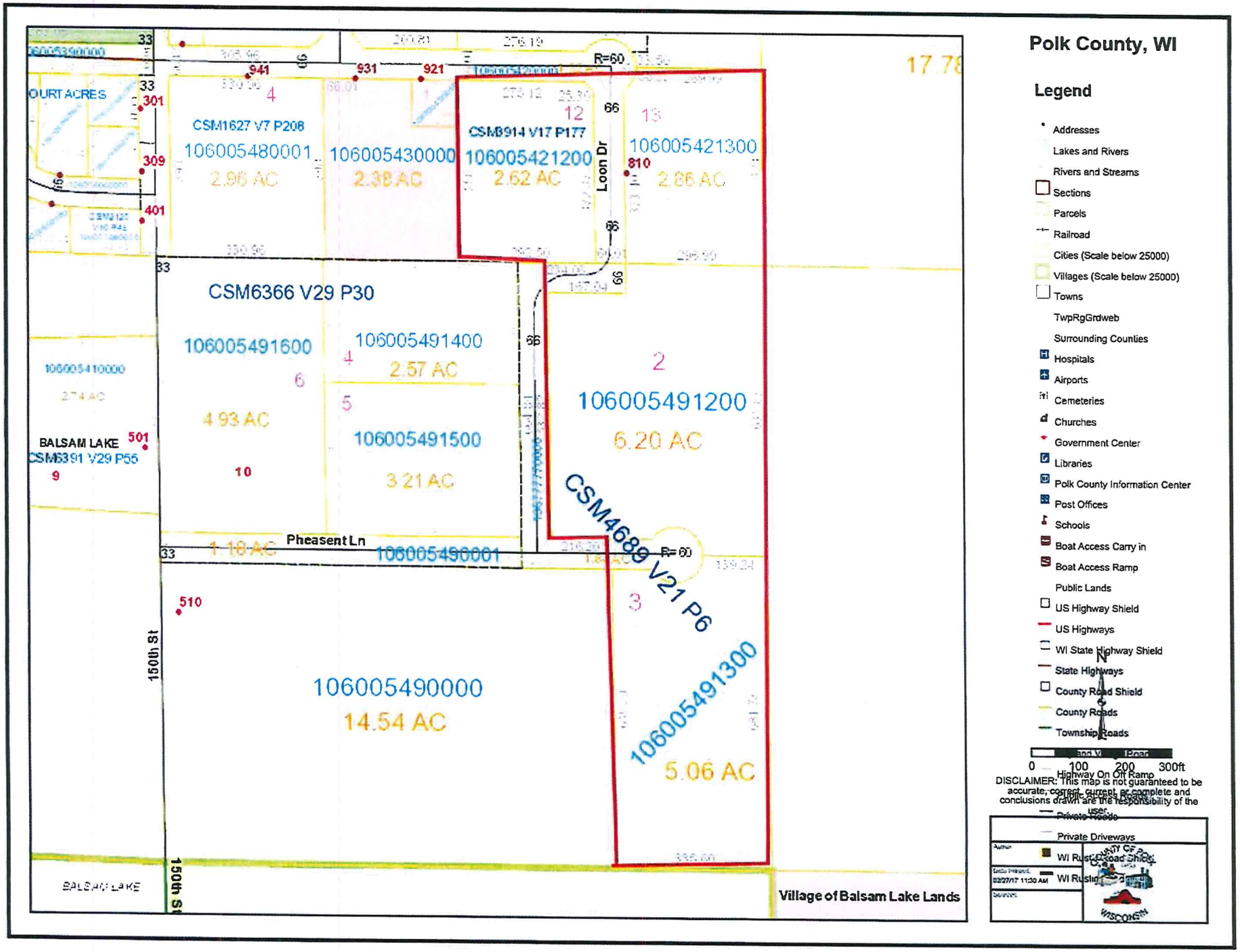
BISHOP FIXTURE AND MILLWORK, INC.

By: [signature] Dated: 3/8/17

Name: MORGAN K. NELSON

Title: VICE PRESIDENT - 50% OWNER

EXHIBIT A


Polk County, WI
Legend
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Lakes and Rivers
Rivers and Streams
Sections
Parcels
Railroad
Cities (Scale below 25000)
Villages (Scale below 25000)
Towns
TwpRgGrdweb
Surrounding Counties
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Polk County Information Center
Post Offices
Schools
Boat Access Carry in
Boat Access Ramp
Public Lands
US Highway Shield
US Highways
WI State Highway Shield
State Highways
County Road Shield
County Roads
Township Roads
Highway On Off Ramp
Private Roads
Private Driveways
WI Rustic Road Shield
WI Rustic Roads
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DISCLAIMER: This map is not guaranteed to be accurate, correct, current, or complete and conclusions drawn are the responsibility of the user.
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CSM8914 V17 P177
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Loon Dr
CSM6366 V29 P30
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106005491200
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CSM4689 V21 P6
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5.06 AC
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BALSAM LAKE
CSM6391 V29 P55
150th St
Village of Balsam Lake Lands
17.78

PRELIMINARY AGREEMENT

This Preliminary Agreement is made as of 9 day of March, 2017, by and between Polk County (the "County") and Village of Balsam Lake (the "Village").

RECITALS

A. The Village owns property with a parcel number of 106-00549-1300, shown on the map marked as Exhibit A ("Village Parcel").

B. The County owns property with parcel numbers of 106-00216-0000, 106-00217-0000, 106-00218-0000, 106-00219-0000, 106-00220-0000, 106-00240-0000, 106-00241-0000, 106-00242-0000, and 106-00248-0000, shown on the map marked as Exhibit B ("County Parcels").

C. The parties have had preliminary discussions regarding a transaction pursuant to which the Village would transfer to the County the Village Parcel and the County would transfer to the Village the County Parcels pursuant to the authority granted by section 59.52 of the Wisconsin Statutes and a cooperative agreement under section 66.0301 of the Wisconsin Statutes ("Village Transaction") for the purpose of the County constructing a new county highway facility, as further described in this Preliminary Agreement, the Definitive Document (defined below), and related documents and agreements (the "Global Transaction").

D. The County is also seeking to acquire additional parcels with parcel numbers of 106-00542-1200, 106-00542-1300, and 106-00549-1200 (the "Adjacent Parcels") owned by third-parties ("Bishop Transaction"), shown on Exhibit A.

E. The Village acknowledges that the Village Transaction is contingent upon the closing of the Bishop Transaction and the consummation of the Global Transaction.

F. The parties desire to set forth their mutual understanding regarding the general terms and conditions of the Village Transaction.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the respective covenants and conditions contained herein, the parties hereby agree as follows:

1. Definitive Document. Subject to the terms and conditions set forth in this Preliminary Agreement, each party agrees to negotiate in good faith toward execution of one or more documents (the "Definitive Document") setting forth the terms and structure of, and pursuant to which the parties would effectuate, the Village Transaction. The parties shall commence such negotiation promptly upon the execution of this Preliminary Agreement and approval of such Preliminary Agreement by authorized representatives of both the Village and the County.

2. Certain Transaction Terms. The parties contemplate that the Definitive Document will contain the following general terms:

2.1 Purchase Price. The Village conveying the Village Parcel to the County in exchange for the County conveying the County Parcels to the Village is adequate and sufficient consideration and the purchase price is $0 with respect to the County Parcels and the Village Parcel.

2.2 Lease of County Parcels. After the closing of the Village Transaction ("Closing") and as a condition to the Village Transaction, the Village shall lease the County Parcels to the County for the sum of $1 per year pursuant to a lease to be negotiated between the parties (the "Lease").

2.3 Remediation of County Parcels. The County shall raze and demolish the buildings located on the County Parcels except for the building located on parcel numbers 106-00240-0000, 106-00241-0000, and 106-00242-0000, at the County's expense, remediate environmental issues on the County Parcels originating within the County Parcels, at the County's expense, and under the supervision of the Wisconsin Department of Natural Resources, if necessary. The Lease shall terminate once the County has vacated the County Parcels and the County Parcels are cleared in a manner that is generally acceptable to the Village but no later than September 15, 2019, including completion of this clearance.

2.4 Vacation of public-right-of ways. A part of Pheasant Lane and a part of Loon Drive will be vacated and discontinued in accordance with the Wisconsin Statutes and as shown on Exhibit C.

2.5 Utility Easement. The County shall grant the Village easements necessary for the Village to install and maintain utilities to and across the Village Parcel and Adjacent Parcels.

2.6 Salt Shed. The County contemplates constructing a salt shed on the Village Parcel after the Closing, and the Village agrees that the salt shed's proposed location as shown on Exhibit C is acceptable with DNR approval.

2.7 TID. The County shall assume all TID payments related to the Adjacent Parcels. The County agrees to continue to reimburse the Village annually for improvements to the Adjacent Parcels which would otherwise have been paid through such TID at an amount not to exceed the 2017 payment and for a period not to exceed twenty (20) years or until the termination or dissolution of tax incremental district 3, whichever is earlier.

2.8 Contingent Transaction. The parties acknowledge that the Closing is contingent upon the closing of the Bishop Transaction and consummation of the Global Transaction. The parties acknowledge that the Closing is contingent upon the general contingencies of a standard commercial real estate transaction including, but not limited to, contingencies related to title, survey, and environmental.

3. Village Board. The Village shall present this Preliminary Agreement to its Board of Trustees at the March 6, 2017, meeting.

4. County Board. The County shall present this Preliminary Agreement to its County Board-Committee of the Whole at the March 9 2017, meeting, and the County Board at the March 21, 2017, meeting.

5. Subject to Definitive Document. The terms of this Preliminary Agreement are subject entirely to the execution and delivery of the Definitive Document. Any inconsistencies between this Preliminary Agreement and the Definitive Document shall be resolved in favor of the Definitive Document. If this Preliminary Agreement is terminated or if the County or Village do not approve the Preliminary Agreement, all rights and obligations of the parties that arise under this Preliminary Agreement will terminate, and each party will be deemed to release the other party from all such terminated obligations.

6. Non-binding Preliminary Agreement. Nothing contained in this Preliminary Agreement shall be binding upon either the Village or the County.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have executed this Preliminary Agreement as of the date first written above.

POLK COUNTY

By: _____ Dated: 3-9-17

Name: DANA W FREY

Title: COUNTY ADMINISTRATOR

Approved as to Form : _____

VILLAGE OF BALSAM LAKE

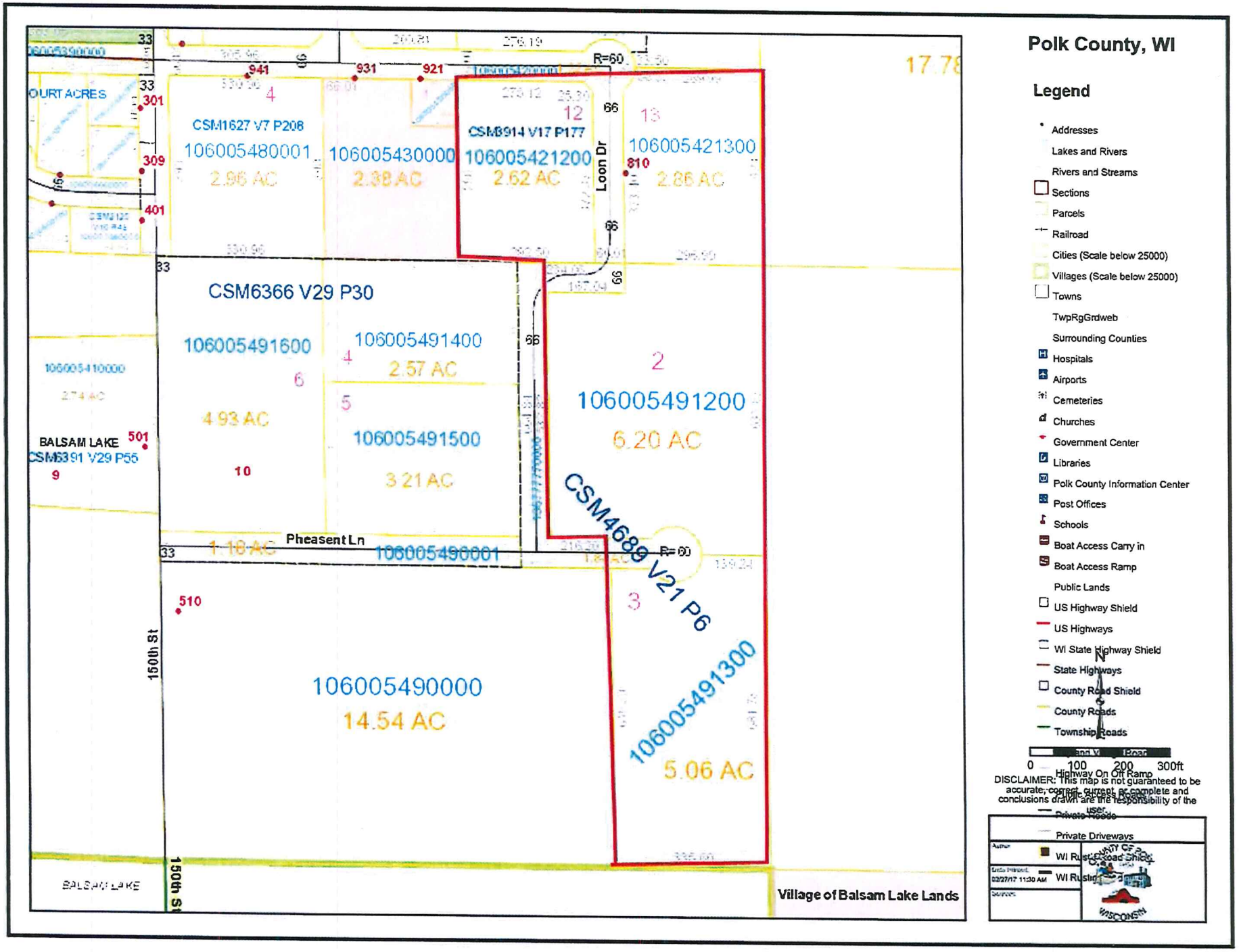
By: _____ Dated: 3-9-17

Name: Geno D'Agostino

Title: Village President

Approved as to Form : _____

EXHIBIT A



Polk County, WI
Legend
Addresses
Lakes and Rivers
Rivers and Streams
Sections
Parcels
Railroad
Cities (Scale below 25000)
Villages (Scale below 25000)
Towns
TwpRgGrdweb
Surrounding Counties
Hospitals
Airports
Cemeteries
Churches
Government Center
Libraries
Polk County Information Center
Post Offices
Schools
Boat Access Carry in
Boat Access Ramp
Public Lands
US Highway Shield
US Highways
WI State Highway Shield
State Highways
County Road Shield
County Roads
Township Roads
Highway On Off Ramp
Private Roads
Private Driveways
WI Rustic Road Shield
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BALSAM LAKE
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Loon Dr
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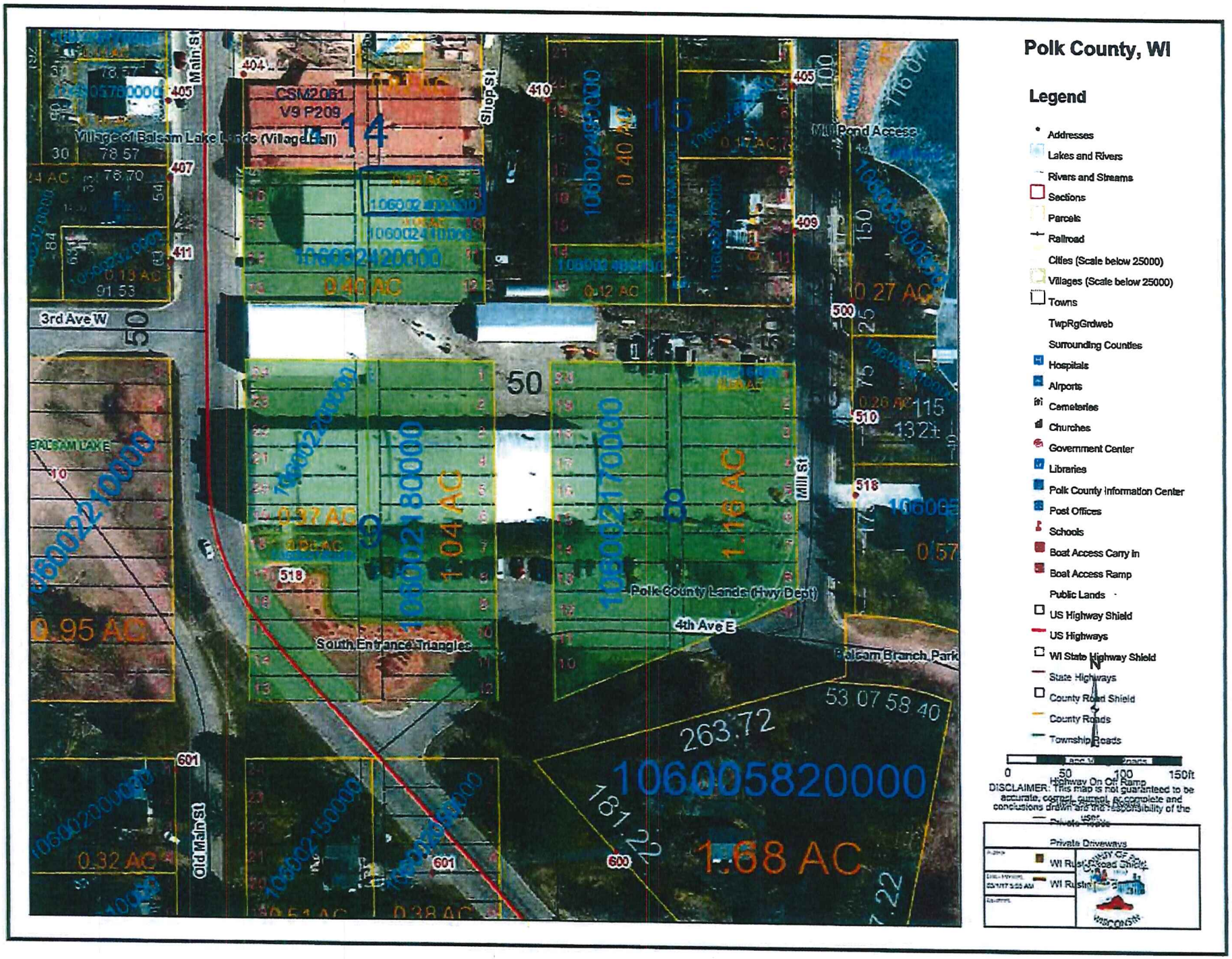
150th St
Village of Balsam Lake Lands

EXHIBIT B



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US Highways
WI State Highway Shield
State Highways
County Road Shield
County Roads
Township Roads
Highway On Off Ramp
Private Roads
Private Driveways
WI Rust Road Shield
WI Rustic
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DISCLAIMER: This map is not guaranteed to be accurate, correct, current, or complete and conclusions drawn are the responsibility of the user.
Village of Balsam Lake Lands (Village Hall)
Main St
Shop St
Mill Pond Access
3rd Ave W
Mill St
Polk County Lands (Hwy Dept)
4th Ave E
South Entrance Triangles
Balsam Branch Park
Old Main St
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V9 P209
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1.04 AC
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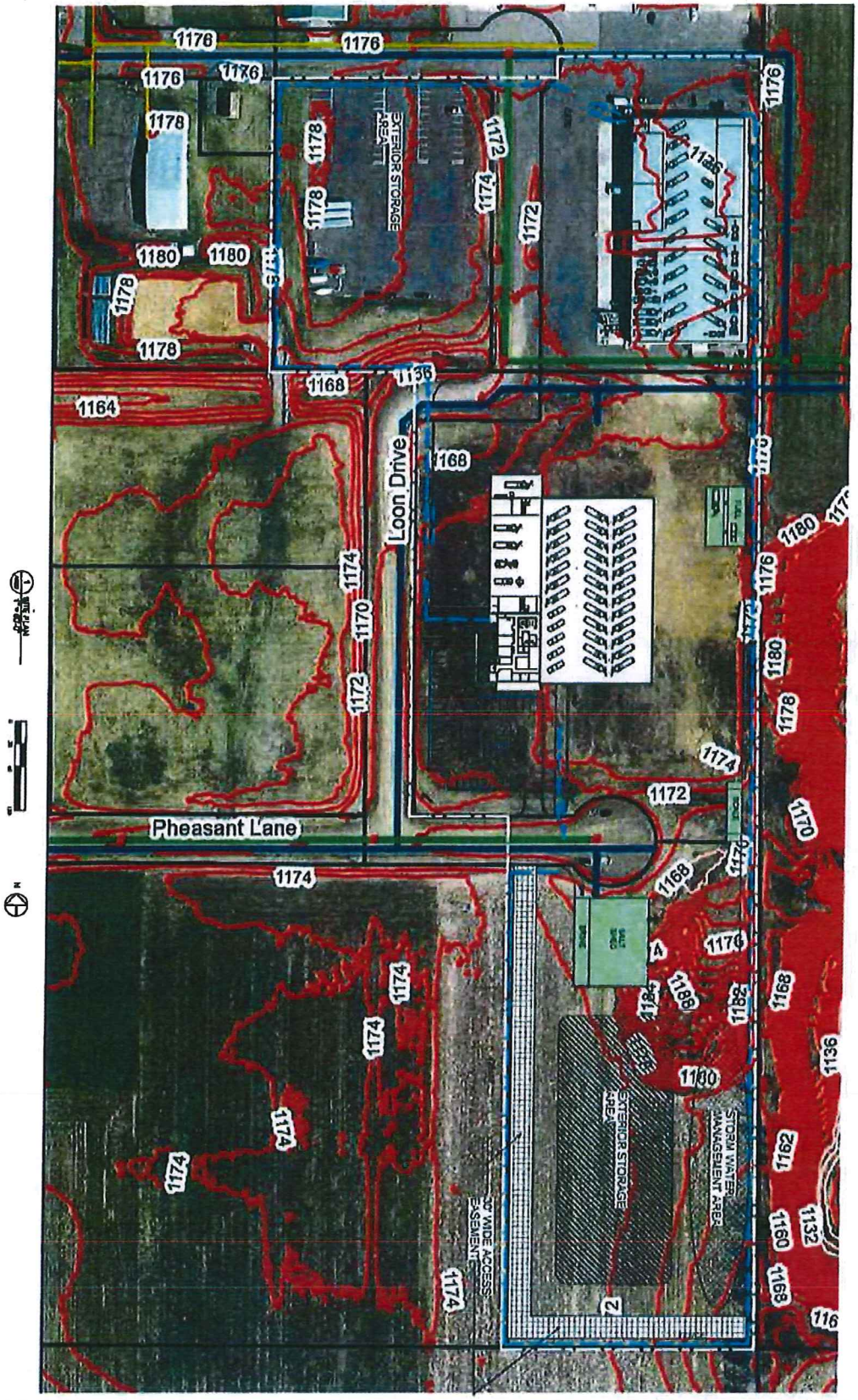
EXHIBIT C



POLK COUNTY HIGHWAY DEPARTMENT

BALSAM LAKE, WI

FEBRUARY 2017

SEH