

ADDENDUM A

Lease to Seller

This Addendum A (“Addendum”) is attached to and made a part of that certain Purchase and Sale Agreement (“Agreement”), dated _____, 2019, between Sally J. Stevens, (“Seller”) and the City of Madison as buyer (“City”), for the City’s purchase of the property located at 354 East Lakeside Street, Madison, Wisconsin (“Property”). The provisions of this Addendum take precedence over and control any inconsistent provision set forth in the Agreement to which this Addendum is attached. Defined terms from the Agreement shall be applicable in the provisions below.

1. Property. The Property consists of an approximately 8,591 sq. ft. parcel improved with a 2,020 sq. ft. single-family home (“Building”), and three-car garage. Seller, as tenant, has inspected and accepts the Property in its "as-is" condition as of the Effective Date.
2. Lease Back. As a condition of the sale of the Property to the City, Seller may lease back the Property from the City as specified in this Addendum. The initial term shall be one year from the date of closing on the Property, or through December 31, 2020 (“Lease Back Term”) whichever is longer. If Seller exercises its right to enter into the Lease Back Term, then Seller shall: (i) provide written notice to the City by the end of the Buyer’s Contingency Period; and (ii) shall execute at Closing a lease that substantially contains the following terms, in addition to the City’s standard terms for leasing property (“Lease”).
3. Option Terms. Seller shall have two options (each an “Extension Option”) to extend the term of the lease for consecutive periods of one (1) year each (each an “Option Term”) by giving written notice to the City of Seller’s intent to exercise the Option Term at least sixty (60) days prior to the expiration of the Lease Back Term or applicable Option Term.
4. Rent. The Seller will not be charged rent for the first Lease Back Term. If Seller exercises the first Option Term, the Seller shall pay market rent on a month to month basis as mutually agreed upon by the City and Seller. The rental rate during the first Option Term will be \$2,000.00 per month in consideration for the Seller’s responsibilities under Paragraph 6 and 7 below. If the Seller opts to exercise the second Option Term, the rental rate will be \$2,100.00 per month (\$2,000.00 + 5% increase).
5. Security Deposit. At Closing, Two Thousand Dollars (\$2,000.00) (“Security Deposit”) will be held in an escrow account with the Title Company agreed to by the Parties if the Seller decides to exercise the Lease Back Term. The Security Deposit will be held during the Lease Back Term, and shall be used to cure any damages to the Property caused by Seller and/or default by Seller under the Lease.
6. Expenses. The Seller shall pay for operating and maintenance expenses relating to its use of the Property during the Lease Back Term including, but not limited to: utilities and related services, garbage removal, snow removal, lawn and landscaping maintenance, pest control, and renter’s liability insurance.

City will carry liability insurance covering its own actions and property insurance on the Property in an amount of its own selection.

7. Repair.
 - a. Seller’s Obligations. The Seller shall be responsible for any repairs they deem necessary to be made during the Lease Back Term or any Option Term, including any repairs needed to make the Property habitable. The City shall not be obligated to conduct any repairs upon the Property and City shall not require the Seller to conduct any repair upon the Property during the Lease Back Term or any Option Term, except as may be necessary for the Property to meet the City’s

minimum housing and property maintenance code (MGO Chapter 27). The Seller agrees that the City will not be held responsible for any damage or loss to Seller's personal property and agrees to waive subrogation against the City for any such damage or loss.

- b. City's Obligations. Any capital expenditures over two thousand dollars (\$2,000), including repairs or replacements of the roof, foundation, mechanical systems (including sump pump) or structural elements of the Building, shall be the responsibility of, and made in the sole discretion of, the City. For clarity, it is agreed by the parties that Seller shall have no rights under the Lease to demand or require that the City perform any repairs or replacements of a capital nature described in the foregoing sentence. In addition, the City expressly notifies Seller that during the Lease Back Term the City does not intend, and the City will be under no obligation, to make any capital expenditures, including repairs or replacements of the roof, foundation, mechanical systems or structural elements of the Building.
8. Notice of Malfunction. Seller shall give City prompt written (and, in the case of an emergency, oral) notice of any actual knowledge of accidents to, or defects in, any heating, ventilating, air conditioning, electrical or water system, pipe, apparatus or equipment in the Building; provided, however, that Seller shall also repair any such condition to the extent within Seller's repair and maintenance obligations.
9. Total Destruction. In the event the Building is destroyed beyond repair by a fire, flood, severe weather or some other Act of God, this Lease shall automatically terminate and possession of the Property shall immediately revert to the City. Any rent paid under Paragraph 4 shall be prorated from the date of destruction to the end of the month and returned to Seller.
10. Non-Transferable. The lease is non-transferable to any other party and is personal to Seller. The Seller shall not have the right to rent or sublease the Property during this lease. Occupancy shall be limited to members of the Seller's immediate family.
11. Liens: The Seller shall not permit any construction lien or leasehold mortgage, or similar, to be filed, or if filed, to remain uncontested, against the fee of the Property, by reason of work, labor, services or materials supplied or claimed to have been supplied to the Seller and shall remove any liens before the end of the Lease Back Term, as applicable.
12. Removal and Disposal of Personal Property. Upon the expiration or termination of the Lease Back Term or Option Term, as applicable, the Seller shall remove all personal property from the Property.
13. Representations and Warranties. The Parties agree that Paragraph 7 of the Agreement is hereby amended to provide that the Seller has no actual notice or knowledge of any conditions affecting the Property as described therein. In addition, City makes no representations or warranties as to current or continued habitability of the Property.
14. Termination. The Seller shall have the right to terminate the Lease during the Lease Back Term or Option Term, as applicable, by providing City with at least 30 days' written notice. On the termination date, Seller shall terminate any service agreements. The termination shall only be valid if all service agreements expire at the end of the 30 day written notice period. City may exercise its right to terminate the Lease in an event of a default by the Seller and the failure by Seller to cure the default within thirty (30) days.
15. Hold-over. In the event that Seller remains in possession of the Property following the termination of the Lease Back Term or an Option Term, and does not vacate the Property, this lease shall convert to a month-to-month tenancy, terminable by either party with thirty (30) days notice. The rent due shall include another 5% increase, as set forth in Section 4.

16. Liability and Hold Harmless. The Seller shall be liable to and hereby agree to indemnify, defend and hold harmless the City, and its officers, officials, agents, and employees, against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officials, officers, agents or employees for damages because of bodily injury, including death at any time resulting there from, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Seller or their officials, officers, agents, employees, assigns, guests, invitees, sub lessees or subcontractors, occurring on the Property during the Lease Back Term whether caused by or contributed to by the negligence of the City, its officers, officials, agents, or employees.
17. Liability Insurance. Seller shall carry renter's liability insurance including contractual liability with no less than the following limits of liability, as may be adjusted by the City's Risk Manager: bodily injury, death and property damage of \$1,000,000.00 per occurrence. The policy or policies shall name the City, its officers, officials, agents and employees as an additional insureds. As evidence of this coverage, the Seller shall furnish to the City of Madison a certificate of insurance on a form provided by the City, or a form approved by the City of Madison Risk Manager.
18. Hazardous Substances; Indemnification. The Seller represents and warrants that their use of the Property will not generate any hazardous substance, and they will not store or dispose on the Property nor transport on or over the Property any hazardous substance in violation of any applicable federal, state or local law, regulation or rule. The Seller further agrees to hold the City harmless from and indemnify the City against any release of such hazardous substance and any damage, loss or expense or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof except any release caused by the sole negligence or intentional acts of the City, its employees or agents. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease or damage to or loss of use of real or personal property.
19. Authority. The Parties hereby represent and warrant that they each have the full power and authority to enter into this Agreement, that this Agreement has been duly and validly authorized, executed and delivered by each party and that no other authorizations or third party consents are requisite to the valid and binding execution, delivery and performance of this Agreement by each party.

As of this ____ day of _____, 2019, Ms. Sally J. Stevens, as Seller, hereby agrees to the terms and conditions set forth above, to be included and made part of the aforementioned Agreement dated _____, 2019.

SELLER: _____
Sally J. Stevens