

**PROPOSAL TO ENTER INTO NEGOTIATIONS FOR
PURCHASE OF REAL ESTATE
RUSK COUNTY OWNED, HIGHWAY ADJACENT
900 AND 906 COLLEGE AVENUE AREA, LADYSMITH, WI 54848**

Presented By: Flambeau River Outfitters, LLC, a Wisconsin Limited Liability Company (hereinafter “Company”)

Real Estate:

Flambeau River Outfitters, LLC is pleased to present this Proposal to the County for the purchase of real estate which consists of a portion of PIN 246-03560-0000 as outlined on the attached maps set forth at Exhibit A.

Company/Offeror:

Flambeau River Outfitters, LLC is a Wisconsin domestic limited liability company, organized in 2016 and in good standing with the Wisconsin Department of Financial Institutions. Its Registered Office is located at W6673 County Road I, Conrath, Wisconsin 54731. It is a current member of the Greater Rusk County Chamber of Commerce.

The Company’s principals are husband and wife, Rodney Schaefer and Lynette Tourdot, who are longtime residents of the area and reside in Conrath, Wisconsin.

The Company operates a well-established and respected local retail sport shop which concentrates on outdoor activities such as hunting and fishing. The Company currently leases space for their operations from Rusk County at 304 Miner Avenue E in Ladysmith. By all accounts the Company has been a good tenant and has a good relationship with the Rusk County landlord. The person from Rusk County with whom the Company interacts for the current business lease is Ashley Heath. With the possibility that the County needs to terminate the lease for other purposes, i.e., jail, and/or other County needs, the Company is looking to relocate its thriving business.

Purchase Price:

When the County first had these parcels appraised, this parcel was part of a larger parcel which also included property on the West side of the access road as demonstrated on the maps at Exhibit A. The appraised value for the entire parcel was \$250,000.00 (with the extraordinary presumption that there was no environmental issue, as will be discussed later). However, because the parcel to the West of the access road that was part of that original appraised value has already been sold to someone else, this \$250,000.00

value should also be reduced. The portion of the parcel that remains and that the Company seeks to purchase is approximately 3.70 acres as shown on the attached Exhibit A. Based on the acreage at issue, the appraisal value, and the “as is” nature of the transaction, the offer to purchase is for \$142,000.00.

Growth/Expansion:

This real estate presents an opportunity not only for the Company to continue as an operating member of the local business community, but also for expansion. Currently the majority of customers are local folks already familiar with the business. The relocation to this new development area, with visibility from Highway 27 and easy access roads, will expose the store to tourists or other seasonal visitors traveling to or through our area for hunting and fishing. As such, it is anticipated that the sales volume, and thus tax revenue, will increase. This is further anticipated given the proximity to transportation corridors and other existing retail in the area such as Walmart which will make it more convenient for both locals and tourists to access the shop. Our proposed retail use will fit nicely in this development. The area further to the north is developed with commercial property along the State Highway 27 corridor and U.S. Highway 8 is also located just north. The area north of U.S. Highway 8 is also an established commercial corridor along State Highway 27.

There is no other existing direct retail competitor in that area that specializes in outdoor sporting goods, thus it will not draw business away from others in the area. Instead, this niche business would complement these other businesses.

With an expanded footprint from our current operations along with the visible and readily accessible location, our preliminary estimates are that we could potentially increase our gross sales by one-third to one-half. Our current goal is that our operation would grow not only in square retail space footage but also provide us with the ability to add and carry new product lines and thus further increase sales. So too, as the sales increase we hope to be able to add some additional retail employees as the business grows.

As a collateral benefit of our sport shop being at this location, we further believe that we will have a positive financial ripple effect on other businesses in the community. With the location and heightened visibility, we will be a draw to those traveling for hunting, fishing, or other outdoor activities to stop and check us out. Perhaps they need to stop to pick up gear that they forgot, or they want to check in on any local hunting/fishing information. As our business is visited by customers beyond the current local market, these customers will better get to know our community and be more inclined to spend more time here and/or to stop at other businesses as well for lunch, gas, or groceries etc. As we showcase our local hospitality and knowledge of the surrounding outdoors perhaps

we will drive up numbers to the resorts and other places in the area that rely upon such outdoor tourism. We would be open to having a kiosk or display with other complementary local business information.

Building Plans:

Certainly, the County can understand that, as a small business, we have not yet retained the contractor or finalized plans as that would be an expense we would not want to bear if our proposal were rejected. However, we have undertaken reasonable due diligence in starting those inquiries so that we are prepared to proceed and so that the County knows we have given this thought. While no contracts have been signed, we have already had preliminary discussions with N.L. Stock, Inc., a plumbing and heating contractor from Lake Hallie, H&R Electric, Inc. from Chippewa Falls, and Rhom Construction, Inc. in Eau Claire. It is our intent to keep as much of the construction project local as is reasonably feasible.

Construction would start, weather/season permitting, as soon as possible after closing with the hopes to be completed yet this year or early next. While plans are not finalized, we contemplate a one story building, approximately 60 x 90 (size) and of a combination steel and wood construction.

In addition to the actual retail space, we would have a parking lot which would provide sufficient parking for customers as well as be designed so that those pulling a boat or camper could easily access/exit and use the lot.

As a draw to those traveling to (or through) our wonderful community for their outdoor adventures, as well as to be aesthetically pleasing to the community, the outside design of the building will be in a Northwoods theme using natural and woodland colors and with signage and storefront décor consistent with that outdoors theme. Along with that plan, one thing we would like to do is discuss with the County whether we could move the two outdoor murals that are currently on the outside of the rental location at 304 Miner Ave E to the new location. This would provide consistency of branding/familiarity from current operations which we are being required to vacate to the new location, as well as preserve a part of local art and history. These beautiful murals are consistent with the exterior presentation of the business and the outdoor spirit of the community.

Financials:

In our efforts to further benefit the local community, we anticipate financing the project through Ladysmith Federal Savings and Loan. Attached at Exhibit B is a pre-approval for a commercial loan up to \$250,000.00. This will cover the purchase price as well as a significant portion of the investigation costs, potential clean-up of any debris, site prep, approval process, and building costs. In addition, we could potentially seek

additional financed funds or some self-funding may be considered. Our request to the Savings and Loan was for \$250,000.00 and it was granted in full.

Contract Provisions:

The Company understands that the acquisition contract/offer to purchase document shall be negotiated after the County's acceptance of the Proposal. However, the Company acknowledges that the County requires that any such final purchase document will include the following contract terms:

Indemnification of the County, its officers, employees, agents, and elected officials.

An acknowledgement that the County will not provide an indemnification of the purchaser.

Agreement to complete all due diligence, testing, inspections, and other site investigations at purchaser's sole cost and expense. The County will agree to cooperate in the purchaser's due diligence, testing, inspections, and other site investigations within the County's reasonable discretion and at no cost to the County.

Agreement to secure any and all licenses, permits, or other approvals for the anticipated use and operation at purchaser's sole cost and expense. The County will agree to cooperate in the purchaser's approval processes within the County's reasonable discretion and at no cost to the County.

An acknowledgement that the County makes no representations or warranties regarding the Property, and acceptance of the Property "as-is."

The County will make available documents and records in its actual possession relating to any site improvements or conditions at no cost to the County.

Any costs or fees incurred by the County due to purchaser's due diligence, testing, inspections, securing of approvals, or otherwise prior to closing of the purchase shall be reimbursed by purchaser no later than closing. The County shall advise of any such costs or fees prior to being incurred.

In addition, the Company has some additional provisions that it believes should likewise be included in any purchase contract:

While "as is" title should still be provided by Warranty Deed and shall be the transfer of good and merchantable title.

While the property is “as is” the appraiser indicates that, “the values estimated in this report are based upon the extraordinary assumption that the property is not affected by the existence of hazardous substances or detrimental environmental conditions.” This implies that the property may indeed be affected by hazardous substances or detrimental environmental conditions. A contingency should be negotiated to permit Buyer to conduct such investigations and be able to terminate the offer if a qualified independent environmental consultant of Buyer’s choice conducting an Environmental Site Assessment of the Property determines clean-up costs exceed a reasonable dollar amount or other standard to be negotiated.

Negotiation of closing costs and any prorations. As part of this, while it is doubtful that the County pays real estate taxes on the subject real estate, to the extent any real estate taxes are due they shall be prorated such that purchaser will only be paying taxes applicable to time periods commencing after closing.

The “hospital sign” on the corner of the lot. This will need to be addressed as far as removal or maintenance and if it remains under what terms, etc.

Infrastructure provisions as to what is needed to develop the parcel and how the costs for any extensions or connections will be determined and paid. This includes but is not limited to connection to water and sewer.

Conclusion:

Rodney Schaefer and Lynette Tourdot are available to attend a meeting to address any questions that you may have and/or to discuss further. On behalf of Flambeau River Outfitters, LLC we look forward to working with you toward a mutually beneficial purchase of the subject real estate.

Dated April 7, 2025

Flambeau River Outfitters, LLC
By: Rodney Schaefer, Member and Authorized Representative