



# CITY OF MANITOWOC

WISCONSIN, USA

[www.manitowoc.org](http://www.manitowoc.org)

July 13, 2023

To: Mayor and Common Council

From: Industrial Development Corporation

**Subject: Firelight Group I LLC (Ammo Inc) Land Lease and Option to Purchase.  
Part of Parcel #449-008-010 North of Vits Drive Extended.**

Dear Mayor and Common Council:

At the July 12, 2023 meeting of the Manitowoc Industrial Development Corporation, the Corporation recommended to the Common Council the following action:

***Approve the Land Lease and Option to Purchase with Firelight Group I LLC (Ammo Inc) and instruct City Staff to complete all facets of the lease and option to purchase.***


Respectfully Submitted,  
Paul Braun

## LAND LEASE

This Land Lease (LEASE) is entered into effective June 1, 2023, by and between the City of Manitowoc, a municipal corporation with its offices located at 900 Quay Street, Manitowoc, WI 54220 (LESSOR) and Firelight Group I, LLC, a Delaware Limited Liability Company with their principal place of business at 7681 East Gray Road, Scottsdale, AZ 85260 (LESSEE).

For and in consideration of the mutual agreements, covenants, promises, and obligations set forth below, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. LEASE LAND.** LESSOR hereby leases the following described land (PROPERTY), which is located in Manitowoc County, Wisconsin, to the LESSEE, subject to the terms and conditions of this LEASE:

That portion of Lot 1, Block 3 of the Manitowoc I-43 Industrial Park Subdivision that is north of a line extended westward from the southern most border of Vits Drive, as more particularly set forth on the attached Exhibit A. 

- 2. TERM AND TERMINATION.**

- (a) The term of this LEASE is from midnight at the start of the day on June 1, 2023 through midnight at the end of the day on May 31, 2025.
- (b) This LEASE may be terminated at any time by mutual agreement of the parties.

- 3. RENT.** LESSEE agrees to pay annual rent of \$3,000 by August 1 of each year of the lease.

- 4. RIGHT OF POSSESSION, ENTRY, AND REENTRY.**

- (a) LESSOR agrees that LESSEE may, subject to LESSEE's payment of rent and compliance with the terms and conditions of this LEASE, quietly and peacefully, have, hold, and enjoy the PROPERTY for the term of this LEASE.
- (b) LESSOR may enter onto the PROPERTY for the purpose of inspecting the PROPERTY, evaluating LESSEE's compliance with the terms and conditions of this LEASE, making repairs, or showing the PROPERTY to prospective purchasers or lessees, upon 48 hours written notice to LESSEE.
- (c) LESSOR will, upon the expiration or termination of this LEASE, have the right to reenter, take possession, and have, hold, and enjoy the PROPERTY.

- 5. LIABILITY INSURANCE.** LESSEE agrees to maintain liability insurance with minimum policy limits of at least \$1,000,000 for personal injury and \$1,000,000 for property damage. LESSEE agrees that LESSOR will be an additional insured on said insurance. LESSEE will provide LESSOR with a Certificate of Insurance in a form acceptable to LESSOR.

- 6. USE LIMITATIONS.**

- (a) LESSEE agrees to use the PROPERTY only for temporary storage to locate up to twenty-five (25) containers of gunpowder with each container being approximately 8 x 40 feet, including installation of a gravel access driveway off of Alverno Road and a gravel storage pad for placement of said containers, as well as fencing necessary to secure the storage area.
  - (b) LESSEE agrees that LESSOR may lease the portions of the land not utilized by LESSEE for agricultural purposes and maintain any rent income generated by doing so.
- 7. PROPER REPAIR.** LESSEE agrees and covenants to keep the PROPERTY, including any fences, in proper condition and to make any necessary repairs.
- 8. IMPROVEMENTS.**
- (a) LESSEE agrees that it will not make any improvements to the PROPERTY or construct, erect, or move any buildings, fixtures, or structures on or onto the PROPERTY, other than those mentioned in Section 6, without LESSOR's prior written consent, which shall not be unreasonably withheld or delayed.
  - (b) LESSEE agrees that all improvements will be made at LESSEE's sole expense; will be made in a skillful manner; and will become LESSOR's property upon the expiration or termination of this LEASE. LESSOR may require LESSEE to remove any improvements at LESSEE's expense at the termination of this lease.
- 9. WASTE.** LESSEE agrees not to commit waste to the PROPERTY and agrees that no mineral resources may be removed from the PROPERTY without LESSOR's prior written consent.
- 10. ASSIGNMENT OR SUBLEASE.**
- (a) LESSEE may not assign, sublet, or otherwise convey this LEASE or any portion of the PROPERTY without LESSOR's prior written consent which shall not be unreasonably withheld or delayed. Notwithstanding the above, LESSEE may assign its interest in this Lease to any parent, subsidiary or affiliated entity.
  - (b) Any assignment or sublease of this LEASE or conveyance of any portion of the PROPERTY must expressly provide for the assignee or sublessee to assume and be bound by LESSEE's obligations under this LEASE.
  - (c) LESSEE agrees that no assignment or sublease of this LEASE or other conveyance of any portion of the PROPERTY will relieve the LESSEE on any of its obligations, expressed or implied, under this LEASE.
  - (d) LESSOR agrees that it will not unreasonably withhold approval of any request to assign or sublease this LEASE or otherwise convey any portion of the PROPERTY.
- 11. INDEMNIFICATION.**
- (a) LESSEE agrees to hold harmless, defend, and indemnify LESSOR, its agents, employees, officials, and officers from and against any and all causes of action, claims, costs, demands, expenses, judgements, legal fees, liabilities, liens, or losses (including, without

limitation, reasonable attorney fees) for damage to property or injury to or the death of any person that arises out of or is in any way related to the subject matter of this LEASE, the performance of this LEASE, or the PROPERTY, or any portion of the PROPERTY, leased herein, except for those portions of land which may be leased for agricultural purposes. LESSOR will have the right to control the defense and to select counsel to be used in fulfilling its defense obligations.

- (b) In the event either party receives notice of a claim or lawsuit that relates in any way to the subject matter of this LEASE, such party shall promptly notify the other party in writing of the claim or lawsuit.
- (c) The covenants contained in this section will survive the termination of this LEASE regardless of the cause of the termination.

**12. COSTS, EXPENSES, AND ATTORNEY'S FEES.** LESSEE agrees to pay any and all costs, expenses, and reasonable attorney's fees incurred by LESSOR to enforce the terms of this LEASE.

**13. NOTICE OF DEFAULT, OPPORTUNITY TO CURE, AND REMEDIES.**

- (a) LESSOR may notify the LESSEE of any default in writing and require LESSEE to promptly take action to cure the default.
- (b) Within 10 days of such notice, LESSEE shall notify LESSOR of all actions taken or proposed to be taken to cure the default.
- (c) If LESSEE fails to notify LESSOR of the actions taken or proposed to be taken to cure the default, LESSOR will have the right to take such action as may be necessary to cure the default, to recover any costs incurred by LESSOR as a result of the default, and to immediately terminate this LEASE for cause.
- (d) As permitted by Wis. Stat. Sec. 704.11, the parties expressly agree that in the event of a breach of any provision of this LEASE by LESSEE, this LEASE creates a lien interest for and on behalf of LESSOR against LESSEE's personal property to the extent of any amounts due and owing LESSOR under this LEASE at the time and for the remainder of such breach.

**14. NOTICE.**

- (a) All notices, reports, requests, or demands given by either party to the other under the provisions of this LEASE will be in writing and delivered in person or by certified mail, delivery service, or email addressed as follows

If to LESSOR: Adam Tegen, Director  
City of Manitowoc Community Development  
900 Quay Street  
Manitowoc, WI 54220  
[ategen@manitowoc.org](mailto:ategen@manitowoc.org)

with a copy to: Manitowoc City Clerk  
900 Quay Street  
Manitowoc, WI 54220  
[mreedkadow@manitowoc.org](mailto:mreedkadow@manitowoc.org)

If to LESSEE: AMMO, Inc.  
ATTN: President  
7681 E. Gray Rd  
Scottsdale, AZ 85260

with a copy to: Attorney Andrew J. Steimle  
Steimle Birschbach LLC  
21 Maritime Drive  
Manitowoc, WI 54220  
[andrew@steimlebirschbach.com](mailto:andrew@steimlebirschbach.com)

- (b) Notice in person is deemed given at the time of delivery. Notice by certified mail is deemed given 72 hours after accepted for delivery by the U.S. Postal Service. Notice by delivery service is deemed given when received by the delivery service. The party giving notice has the burden of proving when notice was given.
- (c) Either party may, in writing, designate another person or address where notice is to be given.

**15. ENTIRE AGREEMENT.** This LEASE represents the entire agreement of the parties as to the matters set forth herein and supersedes any written or oral representations made by either party to the other. No modification of this LEASE will be effective unless it is in writing executed with the same formalities as this LEASE.

**16. RESERVATION OF RIGHTS.** LESSOR or LESSEE's failure to enforce any provision of this LEASE, any right with respect to this LEASE, or any election provided for by this LEASE will not in any way be considered to waive such provision, right, or election or to in any way affect the validity of this LEASE. LESSOR or LESSEE's failure to exercise any provision, right, or election will not preclude or prejudice LESSOR or LESSEE from later enforcing or exercising the same or any other provision, right, or election that it may have under this LEASE.

**17. COMPLIANCE WITH LAWS.** LESSEE will, at its sole expense and at all times during the term of this LEASE, comply with all orders, laws, regulations, and rules of any and all federal, state, or local governments, including any agents, boards, commissions, committees, departments, employees, officials, and officers thereof, now or hereinafter in effect which may be applicable to this LEASE.

**18. GOVERNING LAW.** This LEASE is governed by and will be construed in accordance with the laws of the State of Wisconsin.

**19. SIGNATURE AUTHORITY.** The persons signing this LEASE warrant that they have been authorized to enter into this LEASE by and on behalf of their respective parties and that they have full and complete authority to bind their respective parties by executing this LEASE.

**IN WITNESS WHEREOF,** LESSOR and LESSEE, intending to be legally bound, have executed this LEASE in duplicate on the dates shown below.

**CITY OF MANITOWOC**

**Firelight Group 1, LLC**

By: \_\_\_\_\_  
Adam Tegen  
Community Development Director  
Authorized to Execute by \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A  
MAP OF PARCEL**



**OPTION TO PURCHASE**

Document Number

Recording Area

Name and Return Address  
Attorney Andrew J. Steimle  
Steimle Birschbach, LLC  
PO Box 2225  
Manitowoc, WI 54221-2225

Part of 052-449-008-010.00 (aka 449-008-010)  
Parcel Identification Number (PIN)



## OPTION TO PURCHASE

Effective June 1, 2023, **City of Manitowoc**, a municipal corporation ("Seller"), grants to **Firelight Group I, LLC**, a Delaware limited liability company ("Buyer"), an option to purchase ("Option") ("Property").

A. This Option is granted from Seller to Buyer in exchange for good and sufficient consideration, the receipt of which is hereby acknowledged, including, without limitation, a lease agreement entered into for the Property by and between the parties dated effective June 1, 2023, with a termination date of May 31, 2025 (the "Lease"). This Option may only be exercised by Buyer delivering written notice to Seller prior to expiration of this Option, that Buyer intends to acquire all or some portion of the Property upon the terms and conditions herein. Buyer may deliver any written notice which specifically indicates intent to exercise this Option. Buyer's exercise of this Option shall only be valid if Buyer is current with all Buyer's obligations under the Lease.

B. This Option shall expire and terminate immediately upon the termination or expiration of the Lease. Upon the closing on the purchase of the Property in accordance with this Option, the Lease shall automatically terminate. A simple written statement by Seller as to the status of this Option and/or the Lease is sufficient for third-party confirmation regarding the same.

C. If this Option is exercised by Buyer, Buyer shall purchase the Property on the following terms and conditions:

1. Purchase Price. Ten Thousand Dollars and No/100 (\$10,000.00) per acre will be paid by Buyer to Seller in cash or its equivalent at closing for the purchase of the Property.
2. Conveyance of Title. Upon payment of the Purchase Price, Seller shall convey the Property by warranty deed free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, which constitutes merchantable title for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.
3. Place of Closing. This transaction is to be closed at the place designated by Buyer's title company, within sixty (60) days after the exercise of the Option, unless another date or place is agreed to in writing.
4. Occupancy. Occupancy of the entire Property shall be given to Buyer at time of closing.
5. Leased Property. Buyer currently leases the Property and is familiar with the terms of such Lease. At closing, Buyer shall accept the Property in an AS-IS condition with all faults and defects to the Property. Buyer may inspect the Property prior to its exercise of this Option, and shall release, indemnify and hold Seller harmless from and against the condition of the Property and anything and everything contained on, under or within the Property.
6. Prorations. Seller and Buyer agree to the following prorations and allocations of costs regarding this Option:
  - a. Closing Fees. Buyer shall pay any closing fee or charge imposed by any closing agent or title company.

- b. Recording Costs. Buyer will pay the cost of recording all documents necessary to place record title in Seller in the condition required by this Option. Buyer will pay the cost of recording all other documents.
7. Form of Title Evidence. Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the Purchase Price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin.
8. Provision of Merchantable Title. Buyer shall pay all costs of providing title evidence. Buyer shall also pay the cost of any endorsements and all premiums required for the issuance of any mortgagee's title insurance policy, if applicable. For purposes of closing, title evidence shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than three (3) business days before closing, showing title to the Property as of a date no more than fifteen (15) days before delivery of such title evidence to be merchantable. Given the topography of the Property, Seller agrees to provide reasonable variances relating to the minimum square footage and landscaping obligations set forth in any restrictive covenants.
9. Title Acceptable for Closing/Refund to Buyer. If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding fifteen (15) days, to remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer shall have five (5) days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Option shall be null and void.
10. Delivery/Receipt. Unless otherwise stated in this Option, any signed document transmitted by email shall be treated in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitute personal delivery to, or actual receipt by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. The delivery provisions in this Option may be modified when appropriate. Buyer and Seller authorize the agents of Buyer and Seller to distribute copies of the Option to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction.
11. Dates and Deadlines. Deadlines expressed as a number of "days" from an event, such as exercise of this Option, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting twenty-four (24) hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

12. Entire Contract. This Option and the referenced Lease, including any amendments to either, contain the entire agreement of the Buyer and Seller regarding the transaction. All prior negotiations and discussions have been merged into this Option and the Lease. This agreement binds and inures to the benefit of the Parties to this Option and their successors in interest.
  
13. Default. Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of the terms of purchase after exercise of this Option. A material failure to perform any obligation under the terms of purchase after exercise of this Option is a default which may subject the defaulting party to liability for damages or other legal remedies. The Parties may seek any remedies available in law or equity and as specifically provided herein. The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts. If either Party defaults, the Parties may renegotiate the terms of purchase or seek non-judicial dispute resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement.
  
14. Time is of the Essence. "Time is of the Essence" as to all dates and deadlines in this Option. 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 contract.

Seller grants this Option. The undersigned hereby agrees to convey the above-mentioned Property on the terms and conditions as set forth herein and acknowledges receipt of a copy of this Option.

SELLER:  
CITY OF MANITOWOC

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized to Execute by \_\_\_\_\_

STATE OF WISCONSIN     )  
  ) ss.  
MANITOWOC COUNTY     )

Personally came before me on \_\_\_\_\_, 2023 the above-named \_\_\_\_\_ to me known to be the person who executed the foregoing instrument and acknowledge the same.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

**NOTICE OF EXERCISE OF OPTION**

By signing below and delivering this notice, Buyer exercises the Option to Purchase.

BUYER:  
FIRELIGHT GROUP I, LLC

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Dated: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTIONS**

The Property commonly known as South Alverno Road, City of Manitowoc, Manitowoc County, Wisconsin has the following legal descriptions:

Legal Description: That portion of Lot 1, Block 3 of the Manitowoc I-43 Industrial Park Subdivision that is north of a line extended westward from the southern most border of Vits Drive, as more particularly set forth on the attached Exhibit B.

Tax Parcel ID No.: 052-449-008-010.00 (aka 449-008-010)

**EXHIBIT B  
MAP OF PARCEL**

