

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT  
INGHAM COUNTY

KEN ROSS, COMMISSIONER OF THE OFFICE  
OF FINANCIAL AND INSURANCE  
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETTE

AMERICAN COMMUNITY MUTUAL  
INSURANCE COMPANY,

Respondent.

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Jason R. Evans (P61567)  
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**PETITION FOR APPROVAL OF THE REHABILITATOR'S PLAN TO  
SELL REAL PROPERTY OWNED BY  
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY**

R. Kevin Clinton,<sup>1</sup> Commissioner of the Michigan Office of Financial and Insurance Regulation, as Rehabilitator of American Community Mutual Insurance Company (the “Rehabilitator”), by and through his attorneys, Bill Schuette, Attorney General, and Christopher L. Kerr and Jason R. Evans, Assistant Attorneys General, petitions this Court pursuant to MCL 500.8114(4) to approve the Rehabilitator's plan to sell the real property, including the land and

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<sup>1</sup> Governor Snyder duly appointed R. Kevin Clinton to succeed Ken Ross as the Commissioner of OFIR effective April 18, 2011. Consequently, Commissioner Clinton became the Rehabilitator of American Community on that date.

building, owned by American Community located at 39201 Seven Mile Road, Livonia, Michigan (the "Property"). In support of this Petition, the Rehabilitator states as follows:

1. On April 8, 2010, this Court entered a Stipulated Order Placing American Community into Rehabilitation, Approving Appointment and Compensation of Special Deputy Rehabilitators, and Providing Injunctive Relief (the "Rehabilitation Order"). Pursuant to MCL 500.8113(1), the Rehabilitation Order appointed the Commissioner as the Rehabilitator of American Community.

2. As required by MCL 500.8113(1), the Rehabilitation Order directed the Rehabilitator to "take immediate possession of all the assets of American Community and administer those assets under the Court's general supervision." Rehabilitation Order, p 4, ¶ 3.

3. According to MCL 500.8113(1), as incorporated by the Rehabilitation Order, the Rehabilitation Order "by operation of law vest[ed] title to all assets of [American Community] in the rehabilitator." Rehabilitation Order, p 4, ¶ 4. The assets to which the Rehabilitator gained lawful title upon entry of the Rehabilitation Order include, but are not limited to, the Property.

4. Under the Rehabilitation Order and MCL 500.8114(2), the Rehabilitator "shall have and exercise the full and complete power" of American Community's directors, officers, and managers, whose authority was suspended upon entry of the Rehabilitation Order. Rehabilitation Order, p 5, ¶ 7.

5. The Rehabilitation Order further provides that "[p]ursuant to MCL 500.8114(2) and (4), the Rehabilitator may take such action as he considers necessary or appropriate to reform or revitalize American Community, and is empowered to pursue all avenues of reorganization, consolidation, conversion, reinsurance, merger, or other transformation of

American Community to effectuate rehabilitation and maintain, to the greatest extent possible, a continuity of health care services.” Rehabilitation Order, p 6, ¶ 10.

6. The Rehabilitation Order additionally provides that “[p]ursuant to MCL 500.8114(4), if the Rehabilitator determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of American Community is appropriate, he shall prepare a plan to effect those changes and shall apply to the Court for approval of such plan.” Rehabilitation Order, p 6, ¶ 11.

7. The Rehabilitator's assumption of all powers of American Community's former directors, officers, and managers, together with his broad powers with respect to reforming and revitalizing American Community, authorize and enable him—with the Court's approval—to take any action in connection with the Property that he deems necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and to maximize the protection of American Community's creditors, policyholders, and the public.

8. On August 3, 2010, this Court entered an Order approving the compensation to be paid to Summit Commercial, LLC (“Summit”) as the exclusive real estate broker for the sale or lease of the Property.

9. In its role as exclusive real estate broker, Summit previously negotiated a sale of the Property to Agree Development, LLC (“Agree”) for the purchase price of \$4,600,000, which this Court approved after hearing by Order dated December 22, 2010. The sale of the Property to Agree was never consummated, however, because Agree exercised its right to rescind the purchase agreement on August 12, 2011, during an extended inspection period.

10. Thereafter, Summit continued to market the Property, and has negotiated a sale of the Property to Gary Tadian (on behalf of a to-be-formed entity) for the purchase price of

\$4,300,000. The agreement to sell the Property to Mr. Tadian is evidenced by the fully-executed Purchase and Sale Agreement (“Purchase Agreement”) between American Community and Mr. Tadian attached as Exhibit A.

11. The Purchase Agreement provides, *inter alia*, for the following:
  - a. Mr. Tadian will pay American Community Four Million Three Hundred Thousand and 00/100 Dollars (\$4,300,000.00) as the Purchase Price for the Property.
  - b. Mr. Tadian will deposit \$25,000 with the Title Company within three (3) business days after the Effective Date of the Purchase Agreement as a good faith deposit toward the Purchase Price. The Purchase Agreement’s Effective Date is February 16, 2012. Mr. Tadian has made this first deposit.
  - c. Unless the Purchase Agreement is terminated earlier, Mr. Tadian will deposit an additional \$175,000 with the Title Company on or before ninety-one (91) days after the Effective Date of the Purchase Agreement (or by May 17, 2012) as a second good faith deposit toward the Purchase Price. Collectively, the two good faith deposits are referred to as the “Deposit.”
  - d. Mr. Tadian is afforded ninety (90) days from the date American Community informs him that this Court has approved the sale to investigate the Property and determine whether it is satisfactory to him in his sole discretion (the “Investigation Period”). If Mr. Tadian is not satisfied with the Property, he may terminate the Purchase Agreement by providing written notice on or before the expiration of the Investigation Period, and if certain conditions are met, he is entitled to the return of the Deposit.
  - d. Barring termination allowed by the Purchase Agreement, Mr. Tadian will pay the balance of the Purchase Price at the Closing on the sale of the Property, which will occur within fifteen (15) days after expiration of the Investigation Period. Under one specific condition, Mr. Tadian may extend the Closing Date for a period of thirty (30) days by depositing an additional, non-refundable \$15,000 with the Title Company, which shall be applied toward the Purchase Price at Closing.
  - e. If necessary for the rehabilitation, the Rehabilitator is given the option to lease approximately 10,000 square feet of space in the building at a rate of \$16.50 per square foot for a period of six (6) months after the Closing Date, with an option for a three-month extension.

f. The Purchase Agreement is contingent upon and subject to the approval of this Court, and the parties expressly acknowledge that time is of the essence regarding the sale of the Property.

12. Based on the terms of the Purchase Agreement with Mr. Tadian and other considerations, the Rehabilitator has determined that entering into the Purchase Agreement and consummating the sale of the Property to Mr. Tadian is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to American Community's creditors, policyholders, and the public.

13. Specifically, the Purchase Agreement and sale of the Property to Mr. Tadian will bring significant funds totaling \$4.3 million into the American Community rehabilitation estate for the benefit of the company's policyholders and creditors. Moreover, Mr. Tadian's seriousness about purchasing the Property is evidenced by the two-step Deposit totaling \$200,000, the first \$25,000 of which Mr. Tadian has paid. If necessary, the lease option will allow the Rehabilitator to continue rehabilitation operations at American Community's headquarters, and this continuity of location will avoid any additional costs, delays, and inconvenience associated with relocating all of the personnel, records, and equipment of the company before the rehabilitation is substantially completed. Finally, the relatively short Investigation Period and prompt Closing on the sale of the Property ensures that the Property will either be sold to Mr. Tadian quickly or, if the sale does not close, the Rehabilitator can move on to seek other buyers without undue delay.

14. Since Agree rescinded its agreement to purchase the Property in August 2011, Summit has actively marketed the Property for sale to another buyer. During that timeframe, Summit received three other offers to purchase the Property:

a. A written offer in October 2011 to purchase the Property for \$3,500,000;

- b. A written offer in November 2011 to purchase the Property for \$2,500,000; and
- c. A written offer in November 2011 to purchase the Property for \$4,950,000, however, the purchaser was only willing to make a minimum good faith deposit and wanted to delay the closing on the sale for fifteen months, until March 2013.

15. The Rehabilitator rejected these alternative offers — and Mr. Tadian's offer to purchase the Property is clearly superior— given Rehabilitator's goals of efficiently administering this rehabilitation proceeding and providing maximum protection to American Community's creditors, policyholders, and the public. With respect to the first two rejected offers, Mr. Tadian's agreed-to Purchase Price of \$4,300,000 provides significantly more funds to the rehabilitation estate for the payment of policyholder and creditor claims. Although the third rejected offer for \$4,950,000 was \$650,000 more than Mr. Tadian's agreed-to Purchase Price, the potential purchaser's insistence on a minimal good faith deposit and severely delayed closing: (a) called into question its seriousness about purchasing the property; and (b) would have tied up the Property until March 2013 without any guarantee of a completed sale. Consequently, the third offer was inconsistent with the goal of the efficient administration of this rehabilitation proceeding, because disposition of the Property— one of the most substantial remaining assets of American Community— is a necessary pre-condition to closing this rehabilitation.

16. Prior to the Rehabilitation, American Community issued two surplus notes totaling \$30 million, which remain outstanding. As the attached Proof of Service reflects, a copy of this Petition, the proposed Order approving the sale of the Property to Mr. Tadian (attached as Exhibit B), and a Notice of Hearing on this Petition have been served via regular mail on the two holders of the surplus notes: (1) Vik Ghei and Misha Zaitzeff, founding partners and representatives of surplus note holder HoldCo Advisors, LP; and (2) Carolyn Thagard of Trapeza

Capital Management, LLC on behalf of surplus note holder Credit Suisse, Cayman Branch. These papers have also been served via regular mail on the trustee of the two surplus notes, Mudasar Mohamed of The Bank of New York Mellon Trust Company, N.A. The Rehabilitator has identified these individuals as the parties with the strongest potential interest in this transaction.

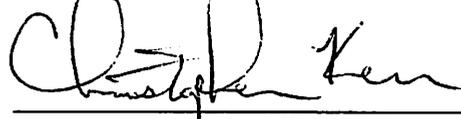
17. Beyond the surplus note holders and their trustee, providing personalized notice of this Petition and any resulting Order to all other parties that have a general interest in American Community's rehabilitation is impractical at this time because there has been no claims submission or other process to identify such interested parties. Moreover, attempting to identify and personally notify every party having a general interest would be time-intensive and costly to American Community's rehabilitation estate. For these reasons, the Rehabilitator requests that the Court authorize and ratify service of this Petition, the Notice of Hearing, and any resulting Order on any potentially interested parties (other than the two surplus note holders and their trustee) by posting electronic copies on the OFIR website, [www.michigan.gov/ofir](http://www.michigan.gov/ofir), under the section "Who We Regulate," and the subsection "American Community." Service in this manner is reasonably calculated to give these other potentially interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

WHEREFORE, the Commissioner, as Rehabilitator of American Community, respectfully requests this Court to approve the Rehabilitator's plan to sell the Property to Gary Tadian (on behalf of a to-be-formed entity), according to the terms contained in the attached Purchase Agreement. In addition, the Rehabilitator requests this Court to authorize and ratify service of this Petition, together with the attached Exhibits (including the proposed Order), the Notice of Hearing, and any resulting Order: (a) via regular mail on the two surplus note holders

and their trustee only; and (b) on other potentially interested parties (beyond the two surplus note holders and their trustee) by posting electronic copies on the "American Community" section of OFIR's website.

Respectfully submitted

Bill Schuette  
Attorney General

A handwritten signature in black ink, appearing to read "Christopher Kerr", written over a horizontal line.

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Dated: March 9, 2012

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## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AGREEMENT** ("Agreement") is entered into as of the Effective Date provided below the parties' signatures, by and between Gary Tadian on behalf of an entity to be named ("Buyer") and American Community Mutual Insurance Co., a Michigan insurance corporation (hereinafter referred to as "Seller").

### **RECITALS:**

This Agreement is based upon the following recitals:

**WHEREAS**, Seller owns the real estate located at 39021 Seven Mile Road, Livonia, Michigan, as legally described on Exhibit A attached hereto, together with all the buildings and improvements thereon (the "Premises"), fixtures and all appurtenances, tenements, hereditaments, privileges, easements, and other property, air, mineral, subsurface, and riparian rights benefiting, belonging or in any appertaining thereto (collectively the "Property");

**WHEREAS**, Seller wishes to sell the Property, as hereinafter defined, and Buyer wishes to acquire the Property, upon the terms and conditions set forth in this Agreement; and

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is agreed as follows:

### **1. SALE OF PROPERTY**

1.1 On the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the Property and all of Seller's right, title and interest in and to, the following items related thereto:

1.2 As used herein, the term "Property" shall include all direct or indirect right, title and interest of the Seller in and to:

(a) The real estate located in the City of Livonia, County of Wayne, State of Michigan, commonly known as the American Community Insurance Building, located at 39021 Seven Mile Road, Livonia, Michigan, and legally described on Exhibit A attached hereto, together with all buildings and improvements thereon, and all appurtenances, tenements, hereditaments, privileges, easements, and other property, air, mineral, subsurface, and riparian rights benefiting, belonging or in any appertaining thereto;

(b) All fixtures, equipment, and machinery, located on or about the Property or used in conjunction therewith which is owned directly by Seller but excluding all office equipment, computer and telecommunications equipment, telephone systems and the like and those items set forth on Schedule 1.2(b);

(c) Any rights of the Seller in and to any land lying in the bed of any street, road or avenue, open or proposed, at the foot of or adjoining the Property to the center line thereof, if any;

(d) Any rights to insurance claims or proceeds and property tax appeals or refunds for periods subsequent to the Closing Date (as hereinafter defined);

(e) Any pending or future award made in condemnation or to be made in lieu thereof, and any unpaid award for damages to the Property;

(f) Any rights of the Seller in and to any riparian rights, appurtenant easements, whether or not of record, strips and rights-of-way abutting, adjacent, contiguous or adjoining the Property, and all rights under any development agreements and/or judgments effecting development of the Property;

(g) Except to the extent prohibited by applicable law, all licenses, permits and franchises issued by any State, Federal or local municipal authorities, relating to the use, maintenance or operation of the Property;

(h) All plans and specifications in possession of the Seller relating to the construction or development of the Property, including but not limited to any existing common areas, site work, utilities and any other non-tenant owned improvements on any of the Property and all unexpired claims, warranties, guaranties and sureties received by the Seller in connection with the construction or improvement of or on the Property;

(i) All contracts or other agreements for services or maintenance relating to the Property which Buyer elects to assume;

## **2. PURCHASE PRICE**

2.1 Purchase Price. The purchase price for the Property ("Purchase Price") shall be Four Million Three Hundred Thousand and No/100 (\$4,300,000.00), inclusive of the Deposit (as hereinafter defined), subject to the adjustments and prorations as set forth herein. All adjustments and prorations to be made between the parties shall be deducted or credited to the Purchase Price, as the case may be. The Purchase Price shall be payable as follows: At Closing, Buyer will pay the Purchase Price in full.

2.2 Deposit. Within three (3) business days of the Effective Date, Buyer shall deposit, with First American Title Insurance Company, Bloomfield Hills, Michigan (the "Title Company"), the sum of Twenty-Five Thousand and No/100 (\$25,000.00) Dollars, as good faith deposit by Buyer ("Deposit"). Unless this Agreement is earlier terminated as provided herein, Buyer shall deposit an additional One Hundred Seventy-Five Thousand and No/100 (\$175,000.00) Dollars with the Title Company on or before the date which is ninety-one (91) days from the Effective Date (the initial \$25,000 deposit and the additional \$175,000 deposit once made, shall collectively be referred to as the "Deposit"). At the time the sale of the Property is consummated, said Deposit, together with any interest thereon, shall be applied as part payment of the Purchase Price. The Deposit shall be fully refundable if the Buyer elects to terminate this Agreement as provided in Section 3 below or if the transaction contemplated in this Agreement does not close due to the failure of a condition set forth in Section 4 below, but otherwise shall be non-refundable but applicable to the Purchase Price.

### 3. TITLE, SURVEY AND INSPECTION MATTERS

3.1 Seller agrees to obtain, at its sole cost and expense, and to furnish to Buyer as soon as possible, but in no event later than fifteen (15) days after the Effective Date, the following:

(a) A commitment from the Title Company for a policy of title insurance (ALTA 1992 Form B), without standard exceptions (provided that Buyer obtains the current dated ALTA standard survey described in 3.1 (b), for the Property (the "Commitment") in the amount of the Purchase Price, together with legible copies of all documents listed as exceptions to the Commitment. At the Closing, the Title Company shall issue a marked-up title commitment and agree to issue a policy of title insurance, without standard exceptions, pursuant to the mark-up as soon as possible (the "Title Policy") for the Property in the amount of the Purchase Price containing no exception to coverage other than as shown on the Commitment. Buyer shall pay for such endorsements as Buyer may require, including without limitation, a Comprehensive Endorsement (ALTA 9), 3.1 Zoning Endorsement, Survey Endorsement, and Access Endorsement, as applicable.

(b) A copy of Seller's existing survey of the Property, if any. Thereafter, Buyer shall within fifteen (15) days after the Effective Date order a current dated ALTA standard survey (the "Survey") of the Property prepared by a land surveyor licensed under the laws of the State of Michigan, certified to Buyer, the Title Company and Buyer's lender, if any. The Survey shall show the location of all improvements, structures, boundaries, easements, right-of-ways, restrictions, covenants and encroachments and be sufficient to allow the Title Company to delete the standard exceptions from the Commitment and the Title Policy. Buyer will pay the cost for an updated Survey, if available. If an updated Survey cannot be obtained, Buyer and Seller will each pay half of the cost of a new Survey

(c) Copies of any existing documents, in the possession or control of Seller and/or its agents, pertaining to the Property that Buyer may reasonably require to assist Buyer in evaluating the financial and physical condition of the Property, including, without limitation: (a) books and records for the Property; (b) mechanical, engineering, soils, environmental, and structural or roofing inspection reports pertaining to the Property; (c) certificates of occupancy for the Property; (d) plans and specifications for the Property, including engineering and architectural drawings; (e) existing surveys of the Property; (f) a list of all contracts entered into by the Seller, including all contracts affecting or relating to the Property, together with copies of all such contracts; (g) any notices and other correspondence received from insurance companies and/or governmental agencies having jurisdiction over the Property with regard to updates, repairs, building code violations, or pending governmental actions in connection with the Property; (h) insurance policies pertaining to the Property, and (i) permits pertaining to the Property (collectively the "Due Diligence Documents").

3.2 Buyer shall have thirty (30) days from the date Buyer receives both the Title Commitment and Survey in which to object in writing to the condition of title and/or survey. If Buyer, or its legal counsel, objects in writing to the condition of title and/or survey within the foregoing time period, Seller shall have ten (10) days from its receipt of Buyer's written objections to advise Buyer in writing that Seller is either unwilling to cure Buyer's objection(s), or that Seller will endeavor to cure Buyer's objection(s). In the event Seller elects to endeavor to cure Buyer's title objection(s), Seller shall have thirty (30) days from the date it advises Buyer of its election to use reasonable efforts to cure the objection(s) or to provide

evidence satisfactory to Buyer that the objection(s) will be cured on or before the Closing. If Seller is unwilling to remedy Buyer's objections or is unable to remedy the objection(s) within the thirty (30) day period, then Buyer, at its option, may either waive the objection(s) and the parties shall continue to perform their obligations, subject to the terms and conditions of this Agreement; or Buyer may terminate this Agreement, in which event Buyer shall receive a prompt refund of the Deposit and the parties shall have no further rights or obligations under this Agreement with the exception of those obligations which expressly survive. Buyer shall make the foregoing election within ten (10) days from the date Seller notifies Buyer in writing that Seller is unwilling or unable to remedy the defect(s). If, at the Closing, there exists any mortgage lien or other encumbrance granted by Seller (other than the Existing Loan), that secures or seeks to enforce against the Property a specified sum of money, Seller shall discharge the same on or prior to the Closing. In the event that any such mortgage, line or encumbrance has not been discharged or satisfied by Seller, Buyer may, in addition to its remedies, elect to satisfy and discharge or assume the payment of said lien or encumbrance, in which event Buyer shall receive a credit to the Purchase Price equal to the amount expended or assumed by Buyer. If Buyer does not raise a title objection within the required time period or in the event Seller cures (or Buyer waives) Buyer's objection(s), the particular exceptions of record identified in the Title Commitment which are not objected to, or which have been waived by Buyer with respect to each Property shall be deemed accepted by Buyer and shall be "Permitted Encumbrances" to the condition of title conveyed by Seller to Buyer at the Closing.

3.3 Within ten (10) days from the Effective Date, the Seller shall make available to Buyer such information as is necessary to allow Buyer to verify the Seller's title to personal property so as to allow Buyer to obtain, at its sole cost and expense, financing statement and fixture filing searches by the Secretary of State and County where the Property is located. All financing statements and fixture filings affecting the Property or any of the personal property being transferred hereunder shall be discharged at or before the Closing at Seller's cost.

1. 3.4 Buyer shall have a period of ninety (90) days from the date Seller informs Buyer that Seller has received Court Approval described in 4.1(b) (the "Investigation Period"), to determine whether the Property is in all respects satisfactory to Buyer in its sole discretion. During the Investigation Period, Buyer and its agents or representatives shall have the right to inspect, or cause to be inspected, the physical condition of the Property and all other documents and materials of any kind relating to the Property, including, but not limited to, those items referenced in Section 3.1(c) above. If Seller fails to provide to Buyer the items referenced in Section 3.1(c) within the above referenced fifteen (15) day period, the Investigation Period shall be extended for the number of days that elapse from the end of such fifteen (15) day period until the date such items have been provided to Buyer. The Seller shall grant Buyer and/or its agents or representatives access to the Property and aforesaid materials at all reasonable times and to cooperate with Buyer and its representatives in such inspection. If for any reason Buyer is not satisfied with the Property, in its sole discretion, Buyer may terminate this Agreement by providing written notice to Seller on or before the expiration of the Investigation Period, and, after restoring the Property to its prior condition and returning the Due Diligence Documents to Seller, Buyer shall be entitled to the immediate return of the Deposit, including any interest accrued thereon, and the parties shall have no further liability to each other, except that Buyer shall remain obligated to indemnify the Seller from and against any cost, expense, liability or damage incurred by it as a result of Buyer's exercise of its rights under the Investigation Period and if Buyer shall disturb any portion of the Property, Buyer shall restore such portion of the Property to its prior condition.

3.5 Buyer, at its sole cost and expense, may obtain prior to the expiration of the Investigation Period, a Phase I Environmental Audit, and if necessary, Phase II Environmental Audit of the Property (collectively the "Environmental Report"). In the event that Buyer is not satisfied, in its sole discretion, with the environmental condition of the Property as disclosed in the Environmental Report, Buyer may terminate this Agreement by providing written notice to Seller within the Investigation Period and Buyer shall be entitled to the immediate return of the Deposit, including any interest accrued thereon, and the parties shall have no further liability to each other.

3.6 In the event of a termination of this Agreement, for any reason, Buyer shall, within five (5) days after the termination, return to Seller all of the Due Diligence Documents, together with copies of the Environmental Report, all written reports, surveys, investigations and audits related to the Property that Buyer obtained during its Investigation Period, provided that Seller reimburses Buyer 50% of Buyer's cost in obtaining said reports, surveys, investigations and audits related to the Property.

#### **4. CONDITIONS PRECEDENT TO CLOSE**

4.1 Anything to the contrary notwithstanding, Buyer shall have no obligation to consummate this transaction, unless and until the conditions set forth in this Section 4.1 have been satisfied or waived by Buyer (unless otherwise specified herein) in writing prior to the Closing Date. Such conditions precedent are as follows:

(a) Seller shall not be in material default of this Agreement;

(b) As Seller is in rehabilitation, the parties acknowledge that this Agreement is contingent upon receipt of approval from the Ingham County Circuit Court, State of Michigan. Within fifteen days following the Effective Date, Seller shall file a petition seeking final approval of this transaction from the Ingham County Circuit Court (the "Court Approval") and shall provide evidence of such Court Approval if and when obtained to Buyer as soon as possible thereafter; and

(c) The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects as of the Closing and there shall not have been any material adverse change in the Property or its operation;

In the event a condition precedent is not satisfied or waived on or before the Closing Date, then the Buyer may terminate this Agreement by written notice to Seller and receive a full refund of the Deposit.

#### **5. CLOSING**

5.1 Subject to the terms of this Agreement, the Closing shall take place within fifteen (15) days of the expiration of the Investigation Period (the "Closing Date"). The Closing shall be held in escrow by the Title Company or at such place as shall be mutually agreed upon by the parties. If necessary to accomplish a 1031 tax deferred exchange on behalf of the Buyer, the Buyer may extend the Closing Date by a period of thirty (30) days by depositing an additional non refundable Fifteen Thousand and no/100 (\$15,000.00) with the Title Company, which shall be added to the Deposit, and credited to the Purchase Price.

5.2 At the Closing, Seller shall take the following actions:

(a) execute and deliver a warranty deed (the "Deed") conveying good and marketable title to the Property, which title is free and clear of all liens, claims and encumbrances, other than the Permitted Encumbrances, and otherwise in a condition to enable the Title Company to issue ALTA 1992 Form B owner's title insurance policies without standard exceptions, subject only to the Permitted Encumbrances and in the form described in Section 3.2;

(b) execute and deliver a quit claim deed conveying Seller's interest, if any, in any land lying between the actual legal boundary of the Property and the physical boundary of the Property (as used by Seller) which encroaches onto the property of others (through adverse possession, incorrect placement of a fence or otherwise), as disclosed by the Survey, and to execute and deliver any deeds and/or easements that Seller can legally provide, at Buyer's option, as are required to prevent any part of the Property from encroaching upon any neighboring parcels of land or violating any zoning and/or building restrictions or regulations.

(c) cause the Title Company to deliver the Commitment, without standard exceptions, marked up by hand and updated by the Title Company as of the Closing Date, such that the marked up Commitment is effective as the Title Policy, pending the actual issuance of the Title Policy;

(d) furnish an affidavit stating that Seller is not a "foreign person" within the meaning of IRC Section 1445(f)(3);

(e) execute and deliver an appropriate affidavit, sufficient to permit the Title Company to delete the standard exceptions from the Title Policy;

(f) execute and deliver an assignment of any and all condemnation awards and any unpaid award for damages relating to the Property;

(g) execute and deliver an assignment to Buyer of any and all service, maintenance or other contracts relating to the Property which Buyer has elected to assume, and all claims, warranties, indemnifications, and guarantees of performance relating to the Property and other rights, if any, which the Seller may have against suppliers, laborers, materialmen, contractors or subcontractors, to the extent that the same are assignable by Seller;

(h) at the Seller's option, execute a lease permitting the Seller to occupy approximately 10,000 square feet of space on the building's 1<sup>st</sup> or 2<sup>nd</sup> floor, for a period of six (6) months after the Closing Date with one (1) option to extend for a period of three (3) additional months (the "Seller Lease"). The Seller Lease shall be paid monthly and shall be a gross lease at the rate of \$16.50 per square foot, which includes utilities. The Seller Lease shall contain standard commercial lease terms and be in a form mutually acceptable to both Seller and Buyer;

(i) execute and deliver an assignment, of all licenses, permits, franchises and certificates issued by any state, federal or local municipal governmental authority, relating to the use, maintenance or operation of the Property, to the extent such licenses, permits and franchises are transferable including, without limitation, all licenses and permits applicable to the water and sewage system and equipment, if any;

(j) pay title insurance premiums and all transfer taxes and/or documentary stamps due in connection with the transfer of the Property to Buyer;

(k) cause the termination of any management agreements affecting the Property,;

(l) execute and deliver any and all Bills of Sale or other conveyance documents necessary to transfer to Buyer all fixtures, equipment and machinery relating to the operation and management of the Property and included in the sale hereunder.

(m) execute and/or acknowledge a closing statement prepared by the title company (the "Closing Statement") setting forth the adjustments and prorations provided for hereunder, including pursuant to Section 2 and Section 6 hereof;

(n) deliver or cause to be delivered by the title company or other agent of Seller, the Court Approval as evidence of Seller's authority to enter into this transaction;

(o) execute and deliver a certificate reaffirming each of the Seller's representations and warranties as being true and correct as of the Closing;

(p) execute and deliver any other documents as are reasonably necessary to effectuate the transaction contemplated hereby.

5.3 At the Closing, Buyer shall take the following actions:

(a) deliver the Purchase Price, as adjusted pursuant to Section 6;

(b) at the Seller's option, execute the Seller Lease;

(c) execute the Closing Statement as prepared by the title company;

(d) execute a certificate reaffirming each of the Buyer's representations and warranties as being true and correct as of the Closing;

(e) pay any costs which are to be paid by the Buyer;

(f) execute any other documents as are reasonably necessary to evidence the transaction contemplated hereby.

## **6. PRORATION OF ITEMS**

6.1 Seller shall pay in full on or before the Closing any and all real and personal property taxes and general and special assessments which relate to the Property and which are due and payable as of the Closing Date, without regard to whether such assessments may be paid in installments after the Closing Date. All current real and personal property taxes (whether or not payable in installments) with respect to the Property shall be prorated on a due date basis using the assumption that all taxes are paid in advance.

6.2 All operating expenses ("Operating Expenses") of the Property, including but not limited to, utility costs, water, sewer, maintenance, taxes, insurance, service and management fees, if any, shall be prorated among Seller and Buyer. Operating Expenses attributable to the period prior to and on the Closing Date shall be allocated to Seller and Operating Expenses attributable to the period after the Closing Date shall be allocated to Buyer. Other than as specifically set forth in this Agreement or any document executed at the Closing, the Buyer is not assuming any of the liabilities or obligations of Seller with respect to the Property (the "Seller Liabilities"). Seller agrees to indemnify, defend and hold Buyer harmless from any and all liabilities, claims, demands, causes of action, cost and expenses, including reasonable attorney fees, incurred with respect to any Seller Liabilities. Upon the Closing Date, Seller shall place into escrow with the Title Company all amounts necessary to secure the payment of Seller's portion of any utilities which, if not paid, may constitute a lien against the Property.

6.3 All transfer taxes, documentary stamps and other transfer charges and/or fees shall be paid by Seller.

6.4 All other costs of closing, charged or collected by the Title Company (including escrow fees, charges for attending the closing, wiring fees, and recording fees) in connection with the Closing of the transaction shall be paid/pro-rated by and between the parties, as is customary in Wayne County, Michigan.

## **7. REPRESENTATIONS AND WARRANTIES**

7.1 Seller represents and warrants to Buyer that as of the date hereof, and as of the Closing Date:

(a) Seller is a duly formed insurance corporation, existing and in good standing under the laws of the State of Michigan, has full power and authority to own its properties and to carry on its business as now conducted, and is in good standing and duly qualified to conduct business in Michigan.

(b) Subject to the Court Approval, Seller has the full power and authority to enter into this Agreement and to consummate the transactions contemplated herein. This Agreement and all other agreements or documents to be executed by Seller pursuant hereto are or shall be as of the Closing Date, as the case may be, duly executed and delivered by Seller and be valid, binding and enforceable in accordance with their respective terms. Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will (i) constitute or cause a breach or violation of or require a consent under any agreement to which Seller is bound, including but not limited to, any right of first refusal or option to purchase granted to a third party, which might prevent the consummation of the transaction contemplated herein or which might bind Seller, subsequent to the consummation of this Agreement, (ii) cause a lien or other encumbrance to attach to the Property, or result in the acceleration of or the right to accelerate any obligation under any material agreement or the termination of the right to terminate any material license, franchise, lease, permit, approval or agreement to which Seller is a party, or require a consent of any person to prevent such breach, default, violation, lien, encumbrance, acceleration, right or termination which have not been obtained or (iii) give rise to any other rights, at law or by agreement, that would give rise to any rights of first refusal or prevent the consummation of the transaction contemplated herein. Subject to the Court Approval, Seller has the complete and unrestricted power to sell, assign and deliver to Buyer unencumbered title to the Property. At the Closing there

will be no restrictions upon the vesting in Buyer of title to the Property owned by the Seller, free and clear of liens, encumbrances and other claims of any kind whatsoever with the exception of the Permitted Encumbrances and Schedule 1.1 items, and such title shall then vest in Buyer.

(c) To the best of Seller's knowledge and belief, the American Community Insurance Building contains approximately 110,000 square feet on approximately 9.45 acres of land.

(d) To the best of Seller's knowledge and belief, the Property is in full compliance with all applicable zoning ordinances, all terms and conditions of any site plan or planned unit development approvals, all ADA requirements and any other laws, rules or regulations (including any laws, rules or regulations governing wetlands) and Seller has all certificates of occupancy, licenses and permits necessary for operation of the Property as a commercial office building.

(e) To the best of Seller's knowledge and belief, except with respect to those consents specifically referenced in this Agreement, no approval of or filing with any federal, state or local court, authority or administrative agency is necessary to authorize the execution and delivery of this Agreement by the Seller or the consummation of the transaction contemplated herein.

(f) To the best of Seller's knowledge and belief, the Property is served by utilities, including but not limited to, water, sewage, waste disposal, electricity, cable television and telephone, and the Seller is not aware of any inadequacies with respect to such utilities.

(g) During Seller's ownership and, to the best of Seller's knowledge and belief, except as may be disclosed in any environmental report provided by Seller to Buyer and/or in the Environmental Report obtained by Buyer, the Property (i) has not been used to handle, treat, store or dispose of asbestos, PCB's, ureaformaldehyde or any hazardous or toxic waste or substance, in violation of applicable law and (ii) has not otherwise been contaminated, tainted or polluted, (including, without limitation, contamination of soils, groundwater and surface waters located on, in or under such premises) with pollutants or other substances which contamination may give rise to a clean-up obligation under any federal, state or local law, rule, regulation or ordinance or the common law. To the best of Seller's knowledge and belief, except as disclosed in any environmental report which may be provided by Seller to Buyer and/or in the Environmental Report obtained by Buyer, all wastes have been utilized, stored and disposed of, whether hazardous or not, in full compliance with all applicable local, state and federal laws and regulations so as not to result in contamination of the Property including, without limitation, soil, groundwater and surface water located on, in or under such Property and to the best of Seller's knowledge and belief the Property is free from any environmental contamination of any kind.

(h) Seller has good and marketable title to the Property and all assets used in the operation or management of the Property and the Property and all such assets are free of mechanics' liens or any other liens that might bind the Property except for the Permitted Encumbrances.

(i) There are no claims, litigation or proceedings pending against the Property or Seller which might prohibit the consummation of the transaction contemplated herein or have an adverse effect on the Property.

(j) To the best of Seller's knowledge and belief, neither the whole nor any portion of the Property is subject, directly or indirectly, to any governmental decree or order to be sold, condemned, expropriated or otherwise taken by any public authority, nor are there any existing facts or conditions known to Seller which might give rise to any forced sale, condemnation, expropriation or other taking.

(k) To the best of Seller's knowledge and belief, the Property is not currently subject to, and Seller has not received any written notice of any special assessment or planned or commenced public improvements which may result in special assessments against the Property.

(l) To the best of Seller's knowledge and belief, the Property is not located in a "flood plain" or "floodway" or any area requiring flood insurance, nor are there any areas designated as "wetlands."

(m) To the best of Seller's knowledge and belief, attached hereto as Schedule 7.1(m) is a true and correct list of all management, leasing, service, employment and other contracts or agreements of every kind and nature affecting the Property ("Contracts"), together with any amendments thereto.

(o) The entire Property is zoned for use as a commercial office.

(p) The Property is assessed as a separate tax parcel(s), and is not a part of a larger parcel for property tax purposes.

(q) Seller has received no notice from any governmental authority indicating that the Property is not in compliance with any law, rule, ordinance, code and/or zoning regulation applicable to the Property.

(r) Seller is the sole occupant of the Property and there are no tenant leases at the Property.

7.2 Buyer represents and warrants to the Seller, which representations and warranties shall be true on the date hereof and as of the Closing Date, as follows:

(a) Buyer has the power and authority to own its properties and to carry on its business as now conducted, and is in good standing and duly qualified to conduct business in each of the jurisdictions in which the ownership or leasing of its properties or the conduct of its business requires such qualification and where the failure so to qualify would have a material adverse effect on the financial condition of Buyer taken on a whole.

(b) Buyer has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated herein. This Agreement has been duly executed and delivered by Buyer and is a valid and binding obligation of Buyer and is enforceable against it in accordance with the terms hereof. Neither the execution, delivery nor performance of this Agreement by Buyer nor the consummation of the transactions contemplated herein by it will constitute or cause a breach or violation of the organizational documents of Buyer, or any agreements to which Buyer is bound.

(c) To the best of Buyer's knowledge and belief, except with respect to those consents specifically referenced in this Agreement, no approval of, or filing with, any federal, state or local court, authority or administrative agency is necessary to authorize the execution, delivery or performance of this Agreement by Buyer or for the consummation of the transactions contemplated herein.

(d) Buyer is not subject to any judgment, order, writ, injunction or decree of any court or government instrumentality which might prohibit the consummation of the transactions contemplated herein, or have a material adverse effect on Buyer taken as a whole. There is no claim or any litigation, proceeding or investigation existing or threatened against Buyer which might prohibit the consummation of the transactions contemplated herein, or have a material adverse effect upon Buyer taken as a whole.

(e) Buyer will, prior to closing, be established as a duly formed limited liability company in good standing under the laws of the State of Michigan with full power and authority to own its properties and to carry on business, and will be duly qualified to conduct business in Michigan.

## **8. DAMAGE AND CONDEMNATION**

Seller shall promptly notify Buyer of any impending or actual condemnation proceedings against the Property or any portion thereof of which the Seller has actual notice. If any portion of the Property shall be threatened to be taken as a result of condemnation proceedings or damaged as a result of fire or other casualty prior to the Closing, Buyer shall have the right:

(a) To terminate this Agreement and receive a refund of the Deposit and any interest accrued thereon, by written notice to the Seller within ten (10) days after receipt of notice of such proceedings or damage, neither party shall have any further liability hereunder; or

(b) To proceed to Closing as herein provided, agreeing to take the Property in its then-current condition, and in such event Buyer shall receive a credit for any deductible to be paid in connection with such damage and be entitled to receive all of the condemnation or insurance proceeds payable as a result of such condemnation or damage.

## **9. COVENANTS OF THE SELLER AND BUYER**

9.1 From the date of this Agreement until the earlier of (i) the termination of this Agreement or (ii) the Closing Date, Seller shall conduct the business of the Property in the ordinary course, and during said period will:

(a) Except in the ordinary course of business, refrain from transferring any portion of the Property, incurring any indebtedness or creating on the Property any easements, liens, mortgages, encumbrances or other interest without the prior written consent of Buyer, which shall not be unreasonably withheld;

(b) Refrain from entering into any contracts or other commitments regarding the Property, without the prior written consent of Buyer.

(c) Continue to maintain and repair the Property and keep it in the same condition and repair as it was as of the date hereof, and continue all maintenance and services as heretofore provided;

(d) Comply with all notices of violation of laws or municipal ordinances, regulations, orders or requirements of department of housing, building, fire, labor, health, or other state, city or municipal departments or other governmental authorities having jurisdiction against or affecting the Property or the use of operation thereof;

(e) Continue to pay, on or before due, any and all operating expenses including all real estate and personal property taxes;

(f) Maintain in full force and effect all licenses and permits necessary for the continued use and operation of the Property;

(g) Use all reasonable efforts to obtain prior to the Closing Date all necessary approvals and consents to the transfer and assumption of those agreements, permits and licenses to be transferred hereunder or for which consent or approval is required for their continued validity after the consummation of the transaction contemplated by this Agreement;

(h) Perform all obligations of Seller on a timely basis and without default, under any Leases, mortgages, notes, Contracts or other agreement relating to the Property;

(i) Not amend, modify or waive any rights under any of the Leases or enter into any new lease affecting the Property without Buyer's prior written consent which shall not be unreasonably withheld, delayed or conditioned; and

(j) At all times prior to the Closing Date, Seller shall maintain in full force and effect, all present insurance policies, including hazard and extended coverage insurance.

9.2 Seller represents and warrants that with the exception of the commissions owed to Summit Commercial (which shall be equally split with Buyer's broker, Greenleaf Properties LLC), there are no investment bankers, brokers, finders or other intermediary (collectively "Brokers") which have been retained by, or is authorized to act on behalf of, Seller who might be entitled to any fee or commission upon consummation of the transactions contemplated herein. Notwithstanding the foregoing, Seller agrees to pay all commissions in connection with this transaction by any Brokers claiming by, through and under Seller and shall defend, indemnify and hold Buyer harmless against any and all such claims. The provisions of this paragraph shall survive Closing.

## 10. "AS IS"

Except as otherwise provided herein, Buyer acknowledges and agrees that the Buyer is purchasing the Property "AS IS," "WHERE IS" and without representation or warranty of any kind or nature whatsoever other than as may be specifically set forth in this Agreement.

Buyer hereby releases and discharges, waives and covenants not to sue or proceed against, Seller, with respect to any and all claims, demands, actions, suits, or causes of action, whether at law or in equity, and whether sounding in tort, contract, nuisance, trespass, negligence, strict liability, contract, or any other statutory, regulatory, administrative, or common law cause of action of any sort that in any



If to Buyer: Haggerty Commercial Investments LLC  
c/o Greenleaf Properties LLC  
4190 Telegraph Road, Suite 3500  
Bloomfield Hills, Michigan 48302  
Phone ( )  
Fax: ( ) -

11.3 This Agreement may not be amended, altered, or modified unless done so in writing by the parties hereto.

11.4 This Agreement and the Exhibits and Schedules hereto contain all of the representations and statements by each party to the other and express the entire understanding between the parties with respect to the transactions contemplated hereby. All prior communications concerning the subject matter hereof are merged in and replaced by this Agreement.

11.5 This Agreement shall be governed by the laws of the State of Michigan and notwithstanding that the Property is located in Wayne County, Michigan the parties expressly acknowledge and consent to the jurisdiction and venue of the Ingham County Circuit Court for all matters arising with respect to this Agreement and/or the Property.

11.6 This Agreement may be signed in counterparts and all of such counterparts when properly executed by the appropriate parties thereto together shall serve as a fully executed document, binding upon the parties. Facsimile and other electronically transmitted signatures to this Agreement shall be considered original signatures for all purposes.

11.7 This Agreement shall be construed as a whole and in accordance with its fair meaning. Captions and organization are for convenience and shall not be used in construing meaning.

11.8 The representations, warranties, covenants and indemnities contained in this Agreement shall survive the Closing and continue for a period of twelve (12) months thereafter.

11.9 Without the prior consent of the other party to this Agreement, Buyer and Seller agree to keep confidential and not publically disclose the terms or other contents of this Agreement or otherwise disclose the transaction contemplated by this Agreement, except as required by law or to such parties consultants, attorneys, investors (bound by similar confidentiality provisions) and proposed lenders' representatives.

11.10 The waiver by either party of the performance of any covenant, condition or promise, shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition or promise. The waiver by either party of the time for performing any act shall not waive the right to require the timely performance of an identical act or any other act required to be performed at a later time. The exercise of any remedy provided by law, and the provisions in this Agreement for any remedy shall not exclude any other remedy unless it is expressly excluded.

11.11 The execution and delivery of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate any of the parties hereto, to any person or entity other than each other and their respective affiliates.

11.12 Time is of the essence in this transaction. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party such amount as the court may adjudge to be reasonable attorney's fees for the service rendered the prevailing party in such action or proceeding.

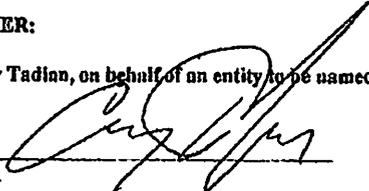
11.13 The parties hereby acknowledge that Buyer may elect to consummate this transaction as a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986 ("1031 Exchange"). The Seller agrees to cooperate with Buyer in effectuating the 1031 Exchange(s), including signing such documents necessary to accomplish such exchange(s), provided, however, the Closing Date, except as otherwise provided in this Agreement, shall not be delayed and neither party shall be required to take title to any exchanging property. The Buyer shall pay all extra recording and escrow fees and incidental costs associated with effectuating the 1031 Exchange.

11.14 "To the best of Seller's knowledge and belief" shall mean the actual knowledge of Seller without any independent inquiry, verification or investigation.

IN WITNESS WHEREOF, the parties hereto have each executed this Purchase Agreement as of the day first written above.

**BUYER:**

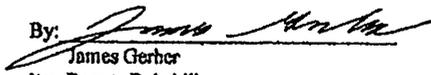
Gary Tadian, on behalf of an entity to be named.

By: 

Its:

**SELLER:**

American Community Mutual Insurance Co., a Michigan insurance corporation

By: 

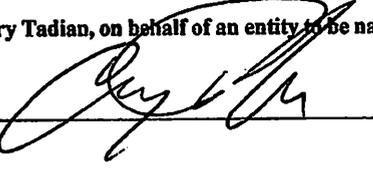
James Gerber

Its: Deputy Rehabilitator

BUYER HEREBY acknowledges its receipt of a fully executed Agreement on this 16<sup>th</sup> day of February, 2012 (the "Effective Date").

**BUYER:**

Gary Tadian, on behalf of an entity to be named.

By: 

Its:

**Exhibit A**

**Legal Description**

**Land located in the City of Livonia, County of Wayne, State of Michigan and described as follows:**

**That part of the Northwest one quarter of Section 7, Town 1 South, Range 9 East, being more particularly described as: Beginning at the point of intersection of the South right-of-way line of Seven Mile Road with the East right-of-way line of Haggerty Road as established by the Michigan Department of State Highways, said point of intersection being located from the northwest corner of Section 7 South 89°57'10" East 65.00 feet and South 60.00 Feet; thence proceeding along the aforementioned South right-of-way line of Seven Mile Road parallel to the North line of Section 7, South 89°57'10" East 715.05 feet; thence South 572.53 feet (measured) to an existing fence corner marking the Southeast corner of this parcel; thence North 89°57'10" West 715.05 feet to a point on the aforementioned East right-of-way line of Haggerty Road, thence along said East line, North 572.53 feet (measured) to the point of beginning.**

SCHEDULE 1.2(b)

EXCLUDED PERSONAL PROPERTY

1. All computer equipment, including hardware, software, servers, network switches, appliances, video/audio conferencing projection systems, telecommunication systems, etc.
2. All Server Room facilities equipment, including mini chiller, mini air handler, raised flooring, hanging cable track, etc.
3. Building generator.
4. All free standing cabinetry, including custom, storage, kitchen and bathroom.
5. Pathway (Steelcase) removable office walls, doors and tracks.
6. Cubicle walls.
7. All storage and shelving racks, including rolling systems and stationary.
8. Hydraulic lift in forms storage area.
9. Uninstalled ceiling tiles.
10. Uninstalled carpet tiles.
11. Ice machines.
12. Digital scrolling Spectrum wall boards.
13. Whiteboards, bulletin boards.
14. Coat racks.

SCHEDULE 7.1(m)

CONTRACTS

1. Cincinnati Casualty Company Commercial Package Policy 3/15/2011 to 3/15/2012
2. ADT Commercial Sales Agreement effective 9/29/2011 - Fire
3. ADT Commercial Sales Agreement effective 9/29/2011 - Burglary
4. Bumler Mechanical, Inc. - Preventative Maintenance Mechanical Equipment 11/7/2007
5. Schindler Elevator Corporation- Schindler Plus Preventative Maintenance 4/1/2009-3/31/2014.
6. Clippers - Snow Plowing -2011-2012 season
7. U.S. Servico, Inc. - Janitorial Services - 4/1/2010 - annual renewals
8. Waste Management - 4/5/2010-4/5/2011
9. City of Livonia Certificate of Occupancy

**E**

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STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT  
INGHAM COUNTY

KEN ROSS, COMMISSIONER OF THE OFFICE  
OF FINANCIAL AND INSURANCE  
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETTE

AMERICAN COMMUNITY MUTUAL  
INSURANCE COMPANY,

Respondent.

---

Christopher L. Kerr (P57131)  
Jason R. Evans (P61567)  
Assistant Attorneys General  
Attorneys for Petitioner  
Corporate Oversight Division  
P. O. Box 30755  
Lansing, MI 48909  
(517) 373-1160

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**ORDER APPROVING THE REHABILITATOR'S PLAN TO  
SELL REAL PROPERTY OWNED BY  
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY**

At a session of said Court held in the  
Circuit Courtrooms for the  
County of Ingham, State of Michigan  
on the \_\_\_\_ day of March, 2012

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

**WHEREAS**, R. Kevin Clinton, the Commissioner of the Michigan Office of Financial  
and Insurance Regulation and duly appointed Rehabilitator of American Community Mutual  
Insurance Company (the "Rehabilitator") has filed a Petition for Approval of the Rehabilitator's

Plan to Sell Real Property Owned by American Community Mutual Insurance Company (the "Petition"); and

**WHEREAS**, the Rehabilitator has served the Petition, together with the attached Exhibits (which included a copy of this proposed Order) and a Notice of Hearing: (a) via regular mail on American Community's two surplus note holders and their trustee; and (b) on other potentially interested parties (beyond the two surplus note holders and their trustee) by posting electronic copies on the "American Community" section of OFIR's website; and

**WHEREAS**, MCL 500.8114(4) authorizes the Rehabilitator, upon making a determination that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of American Community is appropriate, to prepare a plan to effect such changes and to apply for this Court's approval of the plan; and

**WHEREAS**, the Rehabilitator has determined that entering into a Purchase Agreement with Gary Tadian (on behalf of a to-be-formed entity) for the sale of the real property, including the land and building, owned by American Community located at 39201 Seven Mile Road, Livonia, Michigan (the "Property") is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to American Community's creditors, policyholders, and the public; and

**WHEREAS**, the Court having reviewed the Petition and any objections or responses filed thereto, having heard oral arguments on March 21, 2012 at 11:00 a.m., and being otherwise fully advised;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Court APPROVES the Rehabilitator's plan to sell the Property to Gary Tadian, according to the terms contained in the executed Purchase and Sale Agreement attached as Exhibit A to the Petition;

**IT IS FURTHER ORDERED** that the Court authorizes, approves, and/or ratifies the Rehabilitator's service of the Petition, together with the attached Exhibits, the Notice of Hearing, and this Order, via regular mail on American Community's two surplus note holders and their trustee only;

**IT IS FURTHER ORDERED** that due to the difficulty and prohibitive cost associated with providing personalized notice of the Petition, Notice of Hearing, and this Order to all other parties having a general interest in the American Community rehabilitation, the Court authorizes, approves, and/or ratifies the Rehabilitator's service of these papers on other potentially interested parties (beyond the two surplus note holders and their trustee) by posting electronic copies on the OFIR website, [www.michigan.gov/ofir](http://www.michigan.gov/ofir), under the section "Who We Regulate," and the subsection "American Community." The Court finds that service in this manner is reasonably calculated to give these other potentially interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

**IT IS SO ORDERED.**

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Honorable William E. Collette  
Circuit Court Judge