Attachment A

Disclaimer Regarding City Owned Surplus Real Property[1]

Purchaser understands, acknowledges and agrees that he/she/it is purchasing the Surplus Real Property located at _____, Bay City, Michigan, in its **"AS IS"** condition, and that neither the City of Bay City, nor any of its officers, employees, brokers, agents or representatives [hereinafter collectively referred to as "City"] has made any promises, representations, warranties or guarantees concerning or relating to the Surplus Real Property, including, but not limited to, the legal ownership or marketability of title, or the condition of the Surplus Real Property or any building, structure, fixture or appurtenance thereon. It is expressly agreed that City makes no warranties that the Surplus Real Property complies with federal, state or local government laws or regulations applicable to its use. Purchaser assumes all responsibility for any damages caused by the condition of the Surplus Real Property upon transfer of title and the environmental condition of the Surplus Real Property, and hereby releases and forever discharges City from any and all actions, causes of actions, claims and demands, in law and equity, for, upon or by reason of any damage, loss or injury sustained by or threatened against Purchaser or any other person in connection with the Surplus Real Property and with respect to the environmental condition of the Surplus Real Property. Conveyance of the City's interest in the Surplus Real Property will be made by a quit claim deed prepared by the City which will include the releases set forth herein. All conveyances shall be subject to any existing easements, reservations, rights of use and restrictions of record, building and use restrictions, zoning ordinances, municipal regulations, prior conveyances or leases of oil, gas and mineral rights, and all liens, encumbrances, defects and other conditions on, concerning or relating to the Surplus Real Property.

Purchaser acknowledges that he/she/it has inspected the Surplus Real Property. Purchaser further acknowledges that he/she/it may not be able to obtain title insurance for the Surplus Real Property. Purchaser assumes all responsibility for any defects or deficiencies in the title and for the suitability of the Surplus Real Property for Purchaser's uses and purposes. Purchaser acknowledges and agrees that he/she/it will not be able to return the Surplus Real Property to the City nor obtain a refund of the purchase price for any reason.

Purchaser represents to City that he/she/it are not in default of any contract or obligation with the City, including, but not limited to, delinquent City real or personal property taxes or special assessments, past due City utility bills, outstanding invoices for City services, or any notice or citation for a violation of any City ordinance, rule or regulation.

Purchaser agrees and shall be responsible to pay for any owner's or mortgage title insurance policy, all costs in applying for and securing financing or assuming existing financing (if available), all costs of preparation of documents relating to new or existing financing, recording financing statements, inspections, environmental assessments, recording fees for mortgage and deed, costs in connection with matters relating to Purchaser's use or intended use of the

[1] This Disclaimer shall be provided to every prospective purchaser; attached to all listing, sale and other documents related to the prospective sale or transfer of the Surplus Real Property; and executed by all of the purchasers, transferees or recipients of the Surplus Real Property and attached to any purchase agreement.

Surplus Real Property, including but not limited to, re-zoning, special use permits, variances, soil borings, surveying, rights of way, site plan preparation, sanitary sewer lines, water lines and all other matters related to his/her/its development of the Surplus Real Property, and Purchaser's broker and attorney fees.

All of the agreements and undertakings set forth above shall be binding upon Purchaser and its successors and assigns.

PURCHASER:

_____	_____
Date	Date

LAND CONTRACT

THIS CONTRACT, made on this ____ day of _____, 200__, by the **CITY OF BAY CITY, MICHIGAN**, whose address is 301 Washington Avenue, Bay City, Michigan 48708 "Seller", and the **STATE OF MICHIGAN'S ASSIGNEE,** of _____, _____, Michigan ___ _____ "Purchaser".

WITNESSETH, that in consideration of the mutual covenants to be performed between the respective parties hereto as hereinafter expressed, and the sum of Eleven Thousand AND 00/100 ($11,000.00) DOLLARS per acre to be duly paid by the Purchaser to the Seller, as hereinafter specified, it is agreed between the parties hereto as follows:

1. The Seller hereby sells and agrees to convey unto the Purchaser all that certain piece or parcel of land "Property" situated in the City of Bay City, County of Bay and State of Michigan, and described as follows, to wit:

A parcel of land in the Northwest Quarter of Section 22, Town 14 North, Range 5 East, being Lots 1 through 12 of Block 5, Lots 1 through 10 of Block 6, lots 1 through 12 of Block 8, Lots 1 through 12 of Block 9, the vacated alleys running Easterly and Westerly within said Blocks, and all of vacated McLellan, Fitzgerald and Barney Streets in Roses Addition to Bay City, more particularly described as: Commencing at the Southeast corner of Lot 6, Block 5 of said Addition; thence North 17 degrees 23 minutes 00 seconds West along the West right-of-way line of Johnson Street, 560 feet to its intersection with the North line of vacated Fitzgerald Street; thence South 72 degrees 37 minutes 00 seconds West along the North line of vacated Fitzgerald Street, 660 feet to its intersection with the East right-of-way line of Birney Street; thence Southerly along the East right-of-way line of Birney Street, if extended, to its intersection with the Northwesterly corner of Lot 12 in Block 8 of said Addition; thence South 25 degrees 47 minutes 20 seconds East, 504.16 feet along the East right-of-way line of Birney Street to its intersection with the North right-of-way line of Ketchum Street; thence North 72 degrees 37 minutes 00 seconds East along the North right-of-way line of Ketchum Street, 587 feet to the point of beginning. Containing 8 acres, more or less. [The above legal description is subject to modification if Buyer elects to purchase less than the 8 acres set forth above.]

City reserves unto itself a permanent easement over and across the northerly 30 feet of the above described parcel for the purpose of constructing, installing and operating public utilities and there appurtenances, including, but not limited to, pipes, conduits, drainage structures, poles, cables and wires, together with the right of unrestricted access for said purposes and also with the right of unrestricted access, including ingress and egress, for the purpose of inspecting, repairing and maintaining the public utilities and their appurtenances. No permanent or temporary buildings or structures, including signs, shall be constructed placed or maintained over or across said permanent easement and grantee shall not interfere in any way with the construction, operation, inspection or maintenance of said public utilities.

Further all subject to any existing easements, reservations, rights of use and restrictions of record, building and use restrictions, zoning ordinances and municipal regulations, and specifically reserving all easements for public utilities.

The City of Bay City reserves unto itself all oil, gas and other minerals, in, under or upon said land, and all payments, rents or royalties arising therefrom or associated therewith excluding, however, any right in the surface for the expiration and appropriation thereof.

2. Said Purchaser hereby purchases said Property from the Seller and agrees to pay the Seller therefore the consideration of Eleven Thousand and NO/100 ($11,000.00) DOLLARS per acre as follows:

(a) The sum of Eleven Thousand and NO/100 ($11,000.00) DOLLARS per acre on delivery of this contract, the receipt whereof is hereby confessed and acknowledged by Seller.

(b) Purchaser, in addition to the other requirements set forth herein, shall also develop and improve the property, as set forth below. Purchaser's compliance with the terms, conditions, covenants and agreements set forth herein are a condition precedent to any of the Seller's obligation to convey the property to Purchaser. Purchaser shall submit for Seller's acceptance and approval a site plan for the development and improvement of the property. Seller's consent to said site and development plan shall not be unreasonably withheld.

1. Purchaser shall construct an office building, warehouse facility, lighted parking area and landscaping.

2. Purchaser shall develop an office/warehouse facility containing a minimum of 40,000 square feet.

3. Purchaser's development shall consist of approximately 28,000 square feet of office space.

4. Purchaser's development shall consist of approximately 12,000 square feet of warehouse facility.

5. A reduction of over ten (10) percent in the minimum square footage requirements set forth above shall require the written approval of Seller.

6. Purchaser shall submit a Brownfield Plan which specifically provides for Tax Increment Financing for the reconstruction of Johnson Street from a line approximately 100 feet south of Ketchum Street to Water Street. Tax Increment Financing shall also include eligible site improvements up to a maximum of Eleven Thousand and 00/100 ($11,000.00) Dollars per acre purchased.

(c) Purchaser shall begin construction no later than September 1, 2006 and shall continue construction in a diligent manner. The time limit set forth in this paragraph shall be tolled if the City of Bay City or any governmental unit having jurisdiction unreasonably fails to issue the necessary permits to allow construction as envisioned in paragraph 2(b) of this agreement or the State of Michigan has not received all necessary approvals in time for construction to begin by this date.

(d) The time limit set forth in this paragraph shall also be tolled due to fires, strikes, acts of god, or, work stoppages, or material shortages which cannot be reasonably forecast and protected against.

PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER SHALL NOT BE REQUIRED AND MAY NOT BE COMPELLED TO CONVEY THE "PROPERTY" TO PURCHASER UNTIL ALL TERMS, CONDITIONS, COVENANTS AND AGREEMENTS CONTAINED HEREIN ARE SUBSTANTIALLY COMPLIED WITH, AND THAT PURCHASER MAY ONLY OBTAIN CONVEYANCE OF THE "PROPERTY" THROUGH THE PERFORMANCES AND PAYMENTS REQUIRED OF IT HEREUNDER AND THAT PURCHASER SHALL NOT HAVE ANY RIGHT TO PAY TO SELLER ANY OTHER CONSIDERATION OR MONIES WHICH WOULD IN ANY MANNER COMPEL SELLER TO CONVEY THE "PROPERTY" TO PURCHASER, AS THE PARTIES AGREE THAT THE PURCHASE PRICE SHALL BE ONLY AS SET FORTH IN THIS CONTRACT. IF PURCHASER FAILS TO PERFORM ANY OF THE CONDITIONS IN SECTION 2 ABOVE WITHIN THE TIME STATED IT SHALL IMMEDIATELY RECONVEY THE PROPERTY BY QUIT-CLAIM DEED TO SELLER.

3. Purchaser shall pay all taxes and assessments hereafter levied on said Property before any penalty for nonpayment attaches thereto.

4. All buildings, trees or other improvements now on said property, or hereinafter made or placed thereof, shall be a part of the security for the performance of this contract and may not be removed therefrom without the written consent of the Seller.

5. Should Purchaser fail to perform this contract or any part thereof the Seller shall send written notice of default to Purchaser at the address set forth above. Seller shall establish a reasonable time to cure any default or defect based upon the complexity of the default or defect. Should Purchaser fail to correct the default or defect within the time set forth in the written notice the Seller shall have the right to declare this contract forfeited and void and retain whatever may have been paid hereon, and all improvements that may have been made upon the Property, together with additions and accretions thereto. A proper notice of forfeiture, giving Purchaser at least fifteen (15) days to pay any moneys required to be paid hereunder or to cure other material breaches of this contract, shall be served on Purchaser, as provided by statute, prior to institution of any proceedings to recover possession of the property; or if default is made by the Purchaser in any of the provisions hereof and such default continues for a period of forty-five (45) days or more, and the Seller desires to foreclose this contract in equity, then the Seller shall have at its option the right to declare the entire unpaid balance and performances of Purchaser hereunder to be due, payable and to be performed forthwith, notwithstanding anything herein contained to the contrary. Upon default, Seller may assess against Purchaser all of Seller's reasonable expenses, including attorney fees, for the preparation of any notices or representation in any court proceedings for foreclosure, summary proceedings, eviction, or any other proceeding which pertains to the enforcement of the terms of this contract.

6. The Seller shall not be under any obligation to loan, advance, pay for, or to act or perform as an obligator, lender, surety, guarantor or in any other capacity for the development and improvement of the property as required by this contract.

7. Purchaser shall not commit, or suffer any other person to commit, any waste or damage to said property or the appurtenances and shall keep the said property and all improvements in as good condition as they are now.

8. If the Purchaser shall, in the time and manner above specified, make all of the payments provided for and shall observe and perform all conditions and agreements herein, Seller shall thereupon, by quit claim deed, convey said premises to the Purchaser on the conditions herein agreed upon. Purchaser may obtain a standard title insurance policy, dated the approximate date hereof, showing present marketable title in the Seller. The standard title insurance policy shall be at Purchaser's cost and shall be limited so as to except acts or negligence of parties other than Seller after the date of this contract.

Purchaser, its successors and assigns, assume all responsibility for any defects or deficiencies in title and for any damage caused by the condition of the premises upon transfer of the title and the environmental condition of the premises and hereby release and forever discharges Seller from any and all actions, causes of actions, claims and demands, in law and equity, for, upon or by reason of any damage, loss or injury sustained by, or threatened against, Purchaser or any other person in connection with the premises and with respect to the environmental condition of the premises.

9. Possession of said Property may be taken by said Purchaser immediately on the date hereof, and retained for so long as no default is made by said Purchaser in any of the terms or conditions hereof.

10. Purchaser may not assign Purchaser's interest in this land contract. Seller agrees to subordinate Seller's interest in the property to that of a lending institution or agency to allow the property to be utilized as security for any subsequently entered into indebtedness to finance the construction, development and improvement of the property, which shall not include any novation, reaffirmation, restructuring, refinancing or other consolidation with or for any amounts previously borrowed or advanced toward, or for the purpose of, development or improvement of the property or of buildings located thereon or any other indebtedness of Purchaser. All funds obtained using the property as security must be irrevocably committed to the development and improvement of the property. Expenditures under this paragraph shall not include sums paid or to be paid for the purchase of any property adjacent to the property sold hereunder or for any payments, credits, or promises to pay for any services, labor, material or for any other matter to Purchaser or to any entity in which Purchaser has an interest.

11. Seller covenants that it shall not have an indebtedness outstanding against the title to the above described Property while Purchaser is in compliance with the terms and conditions hereof.

12. This land contract and the conveyance to be made in fulfillment hereof are made subject to all zoning ordinances, municipal regulations, building and use restrictions, easements and reservations in the chain of title, or of record, or which would show upon an examination of the Property.

13. The Purchaser has examined the property and agrees to accept the same in its AS IS condition on the date of execution of this Agreement as set forth in the Purchase Agreement between the parties.

14. It is expressly understood and agreed by the parties hereto that time shall be deemed as of the very essence of this contract and all stipulations and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

15. If more than one joins in the execution hereof as Seller or Purchaser, or either be of the feminine sex, or a corporation, the pronouns and relative words herein used shall be read as if written in plural, feminine or neuter respectively.

THE PURCHASER HEREBY CERTIFIES THAT IT HAS READ AND UNDERSTOOD THE DEFAULT PROVISION CONTAINED IN PARAGRAPH FIVE (5) ABOVE AND SELLER'S REMEDIES IN THE EVENT OF DEFAULT WHICH ENTITLE SELLER TO FORFEIT OR FORECLOSE THIS CONTRACT.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

WITNESSES:

SELLER:
CITY OF BAY CITY, MICHIGAN

_____
*

_____
By: Robert J. Katt, Its Mayor

_____
*

STATE OF MICHIGAN)
)ss.
COUNTY OF BAY)

On this ____ day of _____, 200__, before me, a Notary Public in and for said County, appeared ROBERT J. KATT to me personally known, who, being duly sworn, did for himself, say that he is the Mayor of the City of Bay City, the municipal corporation named herein and which executes the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Commission; and acknowledged said instrument to be the free act and deed of said corporation.

_____
* , Notary Public
State of Michigan, County of Bay
My Commission Expires: _____
Acting in the County of Bay

WITNESSES:

PURCHASER:

_____
*

_____
By:

_____
*

STATE OF MICHIGAN)
)ss.
COUNTY OF _____)

On the ____ day of _____, 200___, before me, a Notary Public in and for said County, personally appeared _____ , who did say that he/she is the _____, of the ____ _____, the entity named in and which executes the within instrument, and that said instrument was signed on behalf of said entity and severally acknowledged said instrument to be the free act and deed of said entity.

_____
* , Notary Public
State of Michigan, County of _____
My Commission Expires: _____
Acting in the County of _____

*The name of the Notary Public and witnesses must be printed, typewritten or stamped immediately beneath the signature of that person.

When recorded return to:
City Clerk
301 Washington Avenue
Bay City, Michigan 48708

Prepared by: Neil P. Wackerly, Esq.
ALLSOPP, KOLKA & WACKERLY, P.C.
509 E. Midland Street
Bay City, Michigan 48706
(989) 893-1661

Offer to Purchase Surplus Real Property

Commission Adopted 03/15/04

In accordance with City Policy, all offers to purchase Surplus Real Property shall be submitted in writing and signed by the prospective purchaser(s). The following *must be* completed in it's entirety before an offer will be considered.

☐ I acknowledge and certify that I have read The Policy for the Disposition of City Owned Surplus Real Property _____ (initials)

☐ I acknowledge and certify that I have read and returned a signed Disclaimer Regarding City Owned Surplus Real Property (Attachment A) _____ (initials)

Real Estate Brokers must enter into the listing agreement incorporated in the Policy for the Disposition of City Owned Surplus Real Property.

Purchaser(s) Name: _____

Purchaser(s) Address: _____

Telephone Number – Home: (____)_____ Work: (____)_____

Legal name of organization: _____
(if applicable, if not insert n/a)

Name of principal for purchaser who is authorized
to execute all documents of behalf of purchaser: _____
(if same as Purchaser, insert Same)

Parcel number: _____

Parcel address: _____

Total purchase price: _____

*Proposed use and development of the property*_____

_____

_____

_____

_____

*Guarantees for completing any proposed project*_____

_____

_____

_____

*Dollars to be invested (if constructing a building / home)*_____

*Anticipated method(s) of financing*_____

_____

_____

Timeline for implementation and completion of any proposed project _____

_____

_____

*Contingencies required by purchaser*_____

_____

_____

_____

*Any specific contingencies to be performed by the City*_____

_____

_____

_____

If proposed use of the property is commercial or industrial complete the following:

Number of jobs to be created/retained: _____

Average job wage: _____

Developer Name: _____

Developer's Address: _____

_____

_____

Developer's Telephone Number: _____

Terms of Sale (e.g. cash, land contract or option): _____

_____

_____

Signatures of Prospective Purchaser(s):

_____ _____
Name: Date:

_____ _____
Name: Date:

Return this form along with Disclaimer Regarding City Owned Surplus Real Property to:

Patti Stowell
Economic Development Marketing Manager
City of Bay City
301 Washington Avenue
Bay City, MI 48708

FOR INTERNAL USE ONLY:			
Received Date		Approved	
Received Disclaimer (Attachment A)		Commission Proceeding Date	
Real Estate Broker Listing Agreement (if applicable)		Date Title Recorded	

OPTION TO PURCHASE

Issued by Authority of
Act 431 of 1984
State of Michigan

Department of Management and Budget
Real Estate Division
P.O. Box 30026
Lansing, Michigan 48909

The City of Bay City, a Michigan municipal corporation, the "Seller" whose address is 301 Washington Avenue, Bay City, Michigan 48708 grants to the State of Michigan (Department of Management and Budget for the Department of Environmental Quality, Michigan Department of Natural Resources, and Department of Labor and Economic Growth) the "State", an option to purchase the property hereinafter described.

1. WHEREAS, the State, a public agency, has initiated a program for leasing from private developers and/or owners, facilities to be constructed for a commercial or residential use; and,

2. WHEREAS, the State will advertise, take bids, and award a lease contract for a facility to be constructed on said land; and,

3. WHEREAS, that the following contingencies shall apply to this option to purchase:

(a) Subject to transfer of option to a successful bidder.
(b) Subject to obtaining all necessary permits and approvals.
(c) Subject to obtaining financing to build a leased facility for investment.
(d) Subject to proper zoning.
(e) Subject to real estate taxes being prorated as paid in advance from due date.
(f) Subject to purchase amount being supported by an independent appraisal justifying the fair market value obtained by the State's Assignee.
(g) Subject to performing community/local government notification in accordance with the policy and procedures of the State agency, if applicable.
(h) Subject to an acceptable perk test, when applicable.
(i) Subject to water, sewer, gas, and electric being available at or near the site.
(j) Subject to State's Assignee obtaining a baseline environmental assessment, that is adequate to establish the liability exemptions and defenses available in Sections 20126(1)(c) and 20126(3)(h) of the Natural Resources and Environmental Protection Act (NREPA), MCL 324.20126(1)(c) and 324.20126(3)(h) and Section 107(b)(3) of the Comprehensive Environmental Response Compensation Liability Act, 42 USC 9607(b)(3), that the property does not contain a concentration of any hazardous substance above applicable criteria.
(k) Subject to Seller's ability to convey marketable title to the property free and clear of restriction and encumbrances as approved by the State. State may obtain title insurance at State's expense.
(l) Subject to State's Assignee completing and submitting for the approval of the City of Bay City the following forms: "Offer to Purchase Surplus Real Property, adopted 03/15/04 and the Disclaimer Regarding City Owned Surplus Real Property".

4. THEREFORE, the Seller, in consideration of the foregoing conditions, and deposit of One and 00/100 dollar ($1.00) paid by the State, hereby agrees that at any time prior to September 1, 2006, at the written request of the State, shall execute and deliver to them or to any person or persons as the State shall direct in writing, a Purchase Agreement and Land Contract in the form attached, and upon satisfaction of the terms and conditions contained therein, a Quit-Claim Deed for the following described land, situated in the City of Bay City, County of Bay, State of Michigan, to wit:

> A parcel of land in the Northwest Quarter of Section 22, Town 14 North, Range 5 East, being Lots 1 through 12 of Block 5, Lots 1 through 10 of Block 6, lots 1 through 12 of Block 8, Lots 1 through 12 of Block 9, the vacated alleys running Easterly and Westerly within said Blocks, and all of vacated McLellan, Fitzgerald and Barney Streets in Roses Addition to Bay City, more particularly described as: Commencing at the Southeast corner of Lot 6, Block 5 of said Addition; thence North 17 degrees 23 minutes 00 seconds West along the West right-of-way line of Johnson Street, 560 feet to its intersection with the North line of vacated Fitzgerald Street; thence South 72 degrees 37 minutes 00 seconds West along the North line of vacated Fitzgerald Street, 660 feet to its intersection with the East right-of-way line of Birney Street; thence Southerly along the East right-of-way line of Birney Street, if extended, to its intersection with the Northwesterly corner of Lot 12 in Block 8 of said Addition; thence South 25 degrees 47 minutes 20 seconds East, 504.16 feet along the East right-of-way line of Birney Street to its intersection with the North right-of-way line of Ketchum Street; thence North 72 degrees 37 minutes 00 seconds East along the North right-of-way line of Ketchum Street, 587 feet to the point of beginning. Containing 8 acres, more or less.

5. And the Seller hereby further agrees that it shall not sell or convey said land to any other party(ies) other than the State or its assignee prior to September 1, 2006.

6. It is agreed by and between the parties hereto that if the State at the expiration of the aforesaid limited time shall have declined or omitted to make application for the purchase of said land and at the price aforesaid, then this instrument shall be void, and all deposit money in an amount greater than One and 00/100 ($1.00) Dollar shall be returned to the State of Michigan. Also, it is agreed by and between the parties that if this offer to purchase land is assigned to a successful bidder all deposit money in an amount greater than One and 00/100 ($1.00) Dollar shall be returned to the State of Michigan.

7. State acknowledges that no representations or warranties have been made to State by the Seller, or anyone acting on behalf of Seller, concerning the condition of the property. If the parties close this transaction, the State, or its assignees, shall be deemed to have accepted in its then present “AS IS” condition and “with all faults”. The sale is also subject to the terms and conditions of the Disclaimer Regarding City Owned Surplus Real Property.

IN WITNESS WHEREOF, the Seller(s) hereunto set their hand(s) and seal(s) on the date set forth below:

IN PRESENCE OF:

SELLER: CITY OF BAY CITY

_____ Witness:

_____ Robert J. Katt, Its Mayor

_____ Witness:

STATE OF MICHIGAN)
)ss.
COUNTY OF BAY)

Subscribed and sworn to before me this ____ day of _____, 2005.

_____ (Notary Public)
State of Michigan, County of Bay
My Commission Expires: _____

This option is assigned and transferred from the State of Michigan to:_____
_____

for the remaining term of the purchase agreement or for a period of thirty (30) days. If the property has not been purchased and the title conveyed to assignee on or before _____, this assignment is null and void.

_____ Director, Real Estate Division

_____ Date:

PURCHASE AGREEMENT

1. THIS AGREEMENT is made this ___ day of _____, 2006, by and between the State of Michigan's Assignee, of _____ _____ _____, Michigan _____, ["Buyer"], and the CITY OF BAY CITY, a Michigan municipal corporation, of 301 Washington, Bay City, Michigan 48708, ["Seller"]. Buyer hereby offers to purchase, on the terms and conditions stated herein, the real property and improvements located in the City of Bay City, County of Bay, State of Michigan, and legally described as:

   A parcel of land in the Northwest Quarter of Section 22, Town 14 North, Range 5 East, being Lots 1 through 12 of Block 5, Lots 1 through 10 of Block 6, lots 1 through 12 of Block 8, Lots 1 through 12 of Block 9, the vacated alleys running Easterly and Westerly within said Blocks, and all of vacated McLellan, Fitzgerald and Barney Streets in Roses Addition to Bay City, more particularly described as: Commencing at the Southeast corner of Lot 6, Block 5 of said Addition; thence North 17 degrees 23 minutes 00 seconds West along the West right-of-way line of Johnson Street, 560 feet to its intersection with the North line of vacated Fitzgerald Street; thence South 72 degrees 37 minutes 00 seconds West along the North line of vacated Fitzgerald Street, 660 feet to its intersection with the East right-of-way line of Birney Street; thence Southerly along the East right-of-way line of Birney Street, if extended, to its intersection with the Northwesterly corner of Lot 12 in Block 8 of said Addition; thence South 25 degrees 47 minutes 20 seconds East, 504.16 feet along the East right-of-way line of Birney Street to its intersection with the North right-of-way line of Ketchum Street; thence North 72 degrees 37 minutes 00 seconds East along the North right-of-way line of Ketchum Street, 587 feet to the point of beginning. Containing 8 acres, more or less. [The above legal description is subject to modification if Buyer elects to purchase less than the 8 acres set forth above.]

   City reserves unto itself a permanent easement over and across the northerly 30 feet of the above described parcel for the purpose of constructing, installing and operating public utilities and there appurtenances, including, but not limited to, pipes, conduits, drainage structures, poles, cables and wires, together with the right of unrestricted access for said purposes and also with the right of unrestricted access, including ingress and egress, for the purpose of inspecting, repairing and maintaining the public utilities and their appurtenances. No permanent or temporary buildings or structures, including signs, shall be constructed placed or maintained over or across said permanent easement and grantee shall not interfere in any way with the construction, operation, inspection or maintenance of said public utilities.

   Further all subject to any existing easements, reservations, rights of use and restrictions of records, building and use restrictions, zoning ordinances and municipal regulations, and specifically reserving all easements for public utilities, and further subject to reservations in the land contract, a copy of which is attached as Exhibit A.

The City of Bay City reserves unto itself all oil, gas and other minerals, in, under or upon said land, and all payments, rents or royalties arising therefrom or associated therewith excluding, however, any right in the surface for the expiration and appropriation thereof.

2. **PURCHASE AND SALE.** Seller does hereby sell to Buyer and Buyer does hereby purchase from Seller the Property for the sum of Eleven Thousand and 00/100 ($11,000.00) Dollars per acre ["Purchase Price"]. All improvements and appurtenances now on the Property are included in the Purchase Price.

3. **TERMS OF PURCHASE.** The full Purchase Price shall be paid according to the terms, conditions, covenants and agreements set forth in the land contract represented by Exhibit A, which shall be executed by Buyer and Seller upon closing, the terms of which are incorporated herein by reference.

4. **DEPOSIT.** The Buyer has delivered to the Seller, as earnest money, the sum of One and 00/100 ($1.00) Dollar [herein the "Deposit"]. The Deposit shall be delivered to the party entitled to receive it under the terms of this Agreement. If the terms of this Agreement are met, and if the purchase and sale are consummated, the Deposit shall be applied to the Purchase Price at the time of closing. If the Buyer defaults, the Deposit shall be forfeited and the Seller may pursue such legal and equitable remedies as may be available to Seller. If Seller defaults, the Seller shall return the Deposit to Buyer and Buyer may pursue such legal and equitable remedies as may be available to Buyer.

5. **REAL PROPERTY TAXES AND SPECIAL ASSESSMENTS.** Current real estate taxes shall be prorated as if paid in advance from the due date. Real estate taxes billed after the date of closing shall be the responsibility of the Buyer. Any unbilled special assessment balance outstanding at the time of closing shall be the responsibility of the Buyer.

6. **UTILITIES.** Charges for water, sewage, gas, electricity and/or any other utility or service shall be paid by Seller to the date of possession.

7. **SELLER'S DISCLOSURE.** Buyer acknowledges that this is vacant land and that a Seller's Disclosure Statement is not required.

8. **TIME OF CLOSING**. The closing shall occur at a time and place mutually convenient to the parties, but in the absence of agreement, the closing shall occur at the offices of City Hall, 301 Washington Avenue, Bay City, Michigan, on the 30th day after delivery of the title insurance commitment to the Buyer by the title company, or on the 15th day after notification in writing that all contingencies specifically provided for in this Agreement have been satisfied, whichever is later. Notwithstanding any other provision in this Agreement, if the closing has not occurred on or before September 1, 2006, then either party may terminate this Agreement by giving a written notice of termination to the other. Unless there has been a default by either party prior to such termination, the Seller shall return the Deposit to the Buyer in full termination of this Agreement. If either party has defaulted in performance of this Agreement, then the Deposit shall be disposed of as provided in Paragraph 4 above.

9. **POSSESSION**. Seller shall deliver to Buyer, and Buyer shall accept, possession of the Property immediately following the closing.

10. **EVIDENCE OF TITLE AND TAX HISTORY**. Buyer may obtain, at Buyer's expense, a commitment, certified to a date subsequent to the final acceptance of this offer, for an owner's policy of title insurance in the full amount of the Purchase Price. The commitment shall disclose that Seller has insurable title to the Property, subject to any building and use restrictions, reservations, zoning ordinances and easements, if any, and containing the standard exceptions and exclusions customarily included in a standard A.L.T.A. (Form B) title insurance commitment, and the Rights of the Downtown Development Authority as set forth in section 6. Buyer shall pay the premium for the policy at the time of closing. The Buyer is advised that an attorney should be retained to pass upon the marketability of the title to the Property. Seller shall also provide a tax history detailing the status of real property taxes and special assessments as part of the title commitment.

11. **OBJECTIONS TO TITLE**. If an objection to the title insurance commitment is made within twenty-one (21) days after delivery of the commitment to Buyer, and is based upon the written opinion of Buyer's attorney that the title is not in the condition as required for performance hereunder, then the Seller shall have thirty (30) days from the date Seller is notified in writing of the particular defect(s) claimed to either (1) remedy the title defect(s) objected to; or (2) refund the Deposit in full termination of this Agreement if Seller is unable to remedy the title defect(s). If the Seller is able to remedy the title defect(s) within the time specified as evidenced by a revised or endorsed title insurance commitment removing or insuring over the title defect(s), then the parties shall consummate the sale as soon as reasonably possible. If the Seller is unable to remedy the title defect(s) within the time specified, the Seller shall refund the Deposit to the Buyer in full termination of this Agreement. If no objection to title is made as required by this paragraph, then the Buyer will be deemed to have accepted title to the Property as disclosed by the commitment.

12. **CLOSING COSTS**. Seller agrees to pay for the preparation of the quit claim deed, real estate transfer tax, costs of preparing and recording any corrective instruments, and Seller's attorney fees. Buyer agrees to pay for the owner’s title insurance policy, mortgage title insurance policy, all costs in securing financing or assuming existing financing, costs of preparation of documents relating to new or existing financing, recording financing statements, inspection reports, environmental assessment, recording fees for mortgage and deed, costs in connection with matters relating to Buyer's use or intended use of the Property, including but not limited to, re-zoning, special use permits, variances, soil borings, surveying, drainage easements, rights of way, site plan preparation, sanitary sewer lines, water lines and other matters related to development of the Property, and Buyer's attorney fees.

13. **INSURANCE**. Seller shall be responsible for insuring the improvements on the Property in the amount of their actual cash value against loss or damage by fire or other casualty included in a standard fire and extended coverage policy of insurance until the sale is closed.

14. **CONDITION OF PROPERTY**. Buyer understands, acknowledges and agrees that it is purchasing this Surplus Real Property in its “AS IS” condition, and that neither the City of Bay City, nor any of its officers, employees, brokers, agents or representatives [hereinafter collectively referred to as “City”] has made any promises, representations, warranties or guarantees concerning or relating to the Surplus Real Property, including,

but not limited to, the legal ownership or marketability of title, or the condition of the Surplus Real Property or any building, structure, fixture or appurtenance thereon. It is expressly agreed that City makes no warranties that the Surplus Real Property complies with federal, state or local government laws or regulations applicable to its use. Buyer assumes all responsibility for any damages caused by the condition of the Surplus Real Property upon transfer of title and the environmental condition of the Surplus Real Property, and hereby releases and forever discharges City from any and all actions, causes of actions, claims and demands, in law and equity, for, upon or by reason of any damage, loss or injury sustained by or threatened against Buyer or any other person in connection with the Surplus Real Property and with respect to the environmental condition of the Surplus Real Property. Conveyance of the City's interest in the Surplus Real Property will be made by a quit claim deed prepared by the City which will include the releases set forth herein. All conveyances shall be subject to any existing easements, reservations, rights of use and restrictions of record, building and use restrictions, zoning ordinances, municipal regulations, prior conveyances or leases of oil, gas and mineral rights, and all liens, encumbrances, defects and other conditions on, concerning or relating to the Surplus Real Property.

Buyer acknowledges that it has inspected this Surplus Real Property. Buyer further acknowledges that it may not be able to obtain title insurance for the Surplus Real Property. Buyer, upon closing, assumes all responsibility for any defects or deficiencies in the title and for the suitability of the Surplus Real Property for Buyer's uses and purposes. Buyer, upon closing, acknowledges and agrees that it will not be able to return the Surplus Real Property to the City nor obtain a refund of the purchase price for any reason.

15. **ACCESS AND INSPECTIONS**. The Buyer shall have thirty (30) days after the final acceptance of this offer to obtain inspections of the Property, including environmental inspections and a Baseline Environmental Assessment. The consummation of this Agreement is contingent upon the Buyer's receipt of inspections of the Property and the Personal Property which are satisfactory to Buyer. The inspections shall be conducted by inspectors selected by the Buyer and at the Buyer's expense. If the Agreement is terminated based upon an unsatisfactory inspection, the Seller shall return the Deposit to the Buyer in full termination of this Agreement. The Buyer shall submit any written inspection reports to the Seller as soon as the reports are available.

16. **LEAD-BASED PAINT INSPECTION.** Buyer acknowledges that this is vacant land and that a Lead-Based Paint Seller's Disclosure Form is not required.

17. **VIOLATION OF LAW.** Seller has received no notice and has no knowledge of any violations concerning the condition and/or use of the Property which have not heretofore been corrected by Seller.

18. **ENCUMBRANCES.** On the date hereof, Seller is not in default under any mortgage or land contract encumbering the Property, and during the period commencing for the date hereof and ending on the closing date, Seller shall make all payments required to be made under any such mortgage or land contract, if any, in the manner and at the time provided thereunder, and during such period Seller shall perform all of its other obligations thereunder as mortgagor or vendee, as the case may be.

19. **SERVICE CONTRACTS.** Seller has not contracted for any service and has made no commitments or obligations therefore which bind Buyer as a successor in interest with respect to the Property.

20. **LITIGATION.** There is no litigation pending which affects title to or possession of the Property and Seller has no knowledge or reason to believe that anyone other than Seller has any interest or right whatsoever in the Property, except as noted in section 6.

21. **WASTE AND MECHANIC'S LIENS.** Seller will not suffer or permit waste or any adverse change in the physical condition of the Property prior to closing and shall not permit any mechanic's or materialmen's liens to be placed or maintained on the Property.

22. **PERFORMANCE.** The parties agree to execute and deliver all documents and perform all acts which are, or may become, necessary to consummate this transaction.

23. **TIME OF THE ESSENCE**. Time shall be of the essence with respect to each and every term and condition of this Agreement. Unless the parties specifically agree in writing to extend the time for performing any term or condition of this Agreement, the time frames set forth for this Agreement shall be strictly enforced.

24. **SECTION HEADINGS.** The headings in this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret or limit the scope, extent or intent of this Agreement or any provisions hereof.

25. **SEVERABILITY.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or enforceable provisions were omitted.

26. **PRONOUNS**. Whenever in this Agreement words, including pronouns, are used in the masculine, they shall be read in the feminine or neuter whenever they would so apply and vice-versa, and words in the Agreement that are singular shall be read as plural whenever the latter would so apply and vice-versa.

27. **ENTIRE AGREEMENT AND MODIFICATION**. This Agreement contains all the agreements and conditions made between the parties hereto, and may not be modified orally or in any other manner than by an agreement in writing signed by all the parties hereto or their respective successors in interest.

28. **AGREEMENT TO SURVIVE CLOSING**. Except to the extent that the rights and duties of the parties are altered by the documents executed at the time of closing, the agreement of the parties with respect to the matters addressed in this Agreement shall survive the closing.

29. **NOTICE**. All notices to be given hereunder by either party shall be in writing and given by personal delivery or certified mail to the parties at the addresses as hereinbefore set forth. For purposes of calculating time periods under the provision of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

30. **COMPUTATION OF TIME.** All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays; PROVIDED, HOWEVER, that if the last day to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday, or state or national holiday, such act or notice shall be timely performed if given on the next succeeding day which is not a Saturday, Sunday, state or national holiday. If a notice is given by mail, such notice shall be deemed to have been given on the day following the date on which it is postmarked.

31. **BINDING EFFECT**. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, heirs, personal representatives and assigns of the respective parties hereto.

32. **ADDENDUM**. If an addendum is attached to this Agreement, all terms and conditions of this Agreement shall remain the same except to the extent modified by the addendum. In the event of a conflict between the language in this Agreement and the addendum, the language in the addendum shall be controlling.

33. **BROKER.** The parties agree that there is no broker or realtor involved in this transaction and each of the parties hereto agrees to indemnify, save, keep, defend and hold harmless the other from liability for damages regarding any such broker's or realtor's commission.

SELLER: CITY OF BAY CITY

_____

By: Robert J. Katt, Its Mayor

BUYER:

_____

By:_____ Its:_____

Prepared by:
Neil P. Wackerly, Esq. (P27812)
ALLSOPP, KOLKA & WACKERLY, P.C.
509 E. Midland Street
Bay City, MI 48706
(989) 893-1661