

OFFER TO PURCHASE REAL PROPERTY

Issued by Authority of Public Act 512 of 2016, State of Michigan

THIS OFFER TO PURCHASE REAL PROPERTY (the "Offer") is entered into between _____, a _____, (the "Buyer"), and the State of Michigan (the "Seller"). Buyer agrees to purchase from Seller the land, structures and improvements (the "Property") located in Adams Township, Houghton County, State of Michigan, commonly known as the former Department of Corrections Camp Kitwen, located at 42530 M-26 Highway, Painesdale, Michigan. The property containing 86.4 acres, more or less, is legally described on the attached Exhibit A, and is offered under the following terms and conditions:

1. **Purchase Price.** Buyer shall pay to Seller the sum of _____ Dollars (\$_____) at Closing. The Property is subject to all applicable building and use restrictions, liens, encumbrances, charges, title exceptions, and easements, if any, affecting the Property.
2. **Irrevocable Offer.** This Offer shall be irrevocable except as set forth in Section 6 with respect to cancellation during the Inspection Period.
 - 2.1 The Seller, by executing the acceptance portion hereof and depositing the same in the U.S. mail, addressed to Buyer per Section 12. Notices, of this Offer, shall cause this Offer, without further action of either party, to become a binding contract for the sale of Property.
3. **Approvals.** Notwithstanding any other provision of this Offer, Buyer acknowledges that sale of the Property must be approved by the State Administrative Board prior to Closing. Seller makes no representation that the State Administrative Board will approve this Offer.
4. **Earnest Money.** Upon execution of this Offer, the Buyer shall deliver an earnest money deposit in the form of a certified check or cashier's check made payable to the State of Michigan in the amount of Ten percent (10%) of the purchase price (the "Earnest Money"). The Earnest Money shall be credited to the Purchase Price at Closing. Buyer shall not be entitled to any interest earned on the Earnest Money.
 - 4.1 Upon acceptance of this Offer, Fifty percent (50%) is immediately non-refundable. Buyer acknowledges that the Earnest Money is deemed non-refundable and the Buyer shall have no right, claim or interest in or to such Earnest Money. Buyer further acknowledges that the balance of the Earnest Money deposit shall only be refundable under the conditions set forth in Section 6 and that the full amount of the Earnest Money is non-refundable as liquidated damages in the event of default or failure by Buyer to perform any of its obligations under the terms of this Offer.

In the event that the State Administrative Board does not approve the transaction the Earnest Money shall be returned in its entirety to the Buyer.

5. **Closing.** The Closing shall occur at a location and time agreed upon by both the Seller and Buyer, not more than thirty (30) calendar days after the end of the Inspection Period.
 - 5.1. Closing shall be contingent upon receiving approval from the State Administrative Board.
 - 5.2. The Quitclaim Deed will be prepared by Seller, all other closing documents will be prepared by the Buyer. Closing costs and special assessments, if any, will be paid by the Buyer.
 - 5.3. At Closing, after receipt of the balance of the Purchase Price in the form of a certified check, cashier's check or electronic funds from Buyer, Seller shall convey title to the Property by Quitclaim Deed, prepared and approved by the Attorney General, subject to any liens, charges, actions, encumbrances, restrictive covenant and title exceptions, and subject to the provisions of Public Act 512 of 2016.

- 5.4.** The execution and delivery of the Quitclaim Deed by the Seller shall be deemed to be in full performance and discharge of all the terms and conditions of this Offer to be observed or performed by Seller, except those that are stated expressly to survive the Closing.

6. Inspection Period.

- 6.1.** Buyer acknowledges that it has had the opportunity for physical inspection of the Property prior to entering into this Agreement, and shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS" that is, in its present condition. It shall be the sole responsibility of the Buyer to make its own investigations, studies, tests, reports, and other due diligence inquiries as to the Property as deemed appropriate to Buyer prior to entering into this Agreement.

- 6.2.** Seller authorizes Buyer to enter the Property, with prior notification to Seller, to conduct investigations and studies, and Buyer hereby releases Seller of any and all liability associated with entry and inspection, and warrants that it will comply with applicable regulations regarding environmental and other matters. The Buyer shall have until 5:00 p.m., sixty calendar days (60) days from the date of acceptance of this Offer, to conduct investigations and other due diligence inquiries regarding the Property (the "Inspection Period").

- 6.3.** After its inspection, if the Buyer is not reasonably satisfied with the results of its investigations and due diligence inquiries, the Buyer may cancel this Offer to Purchase Real Property, at Buyer's sole discretion. If Buyer cancels, it shall provide the State with copies of any and all its due diligence materials acquired during the Inspection Periods, including but not limited to, environmental reports, surveys, title commitments, and other due diligence materials, and be entitled to a return of fifty percent (50%) of the original Earnest Money.

- 7. Environmental.** Buyer agrees that the Seller assumes no liability or responsibility for the presence of any toxic, hazardous, polluting or injurious substances on, in, or below the Property. Except as expressly stated herein, Seller makes no representations as to any toxic, hazardous, polluting or injurious substances on, in, or below the Property or any property adjacent to the Property.

- 7.1.** Additionally, Buyer acknowledges that asbestos, lead paint, lead plumbing and mold may be present within building materials and structures located on or below the surface of the Property. Buyer agrees to accept the Property "As Is." Buyer further acknowledges and understands that the building materials and structures on the Property may contain asbestos and mold and that any reuse or redevelopment of the Property that results in demolition or structural changes may result in the release of asbestos or asbestos-containing materials and mold. Buyer agrees to release and hold harmless the Seller from any and all existing and future claims related to the existence or discovery of asbestos, asbestos-containing materials, lead paint, lead plumbing, mold or other contaminants and materials present within building materials and structures located on or below the surface of the Property.

- 7.2.** Buyer further agrees to take no administrative, judicial or other legal action against the Seller because of the existence or discovery of any toxic, hazardous, polluting or injurious substances. Actions include, but are not limited to, any action for contribution, cost recovery, third party action, injunctive relief to compel the Seller to investigate or take remedial action, declaratory relief, damages, or any action associated with any obligations the Buyer may have to comply with federal, state or local law in conjunction with the investigation, removal, or abatement of any toxic, hazardous, polluting or injurious substance, including but not limited to asbestos or asbestos-containing materials. Buyer agrees to release and hold harmless the Seller from any and all existing

and future claims related to the existence or discovery of any toxic, hazardous, polluting or injurious materials in, on, below or emanating from the Property.

- 7.3.** Buyer agrees to indemnify the Seller and to hold the Seller harmless if any hazardous, polluting, injurious, or toxic substances exist, are discovered in, on, below, or emanating from the Property or their condition is exacerbated by the Buyer.
- 7.4.** Notwithstanding anything to the contrary in this Section or in this Offer, the Seller will not be responsible to the Buyer for asbestos, lead, or mold-related claims arising from exposure to asbestos, lead, or mold (if any) where the exposure occurs after the date of Closing, and the Buyer will not be responsible to the Seller for asbestos, lead, or mold-related claims arising from exposure to asbestos, lead, or mold (if any) where the exposure occurred prior to the date of Closing.
- 7.5.** Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or made available by Seller to Buyer in connection with the sale of the Property. Buyer acknowledges and agrees that all materials, data and information delivered or made available by Seller to Buyer are provided as a convenience only and that any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer.
- 7.6.** Without limiting the foregoing provisions, Buyer acknowledges and agrees that (a) any environmental or other report regarding the Property which is delivered or made available by Seller to Buyer shall be for general informational purposes only, (b) Buyer shall not have any right to rely on such report delivered or made available by Seller to Buyer, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Buyer with respect thereto, (c) neither Seller nor the person or entity which prepared any such report delivered or made available by Seller to Buyer shall have any liability to Buyer for any inaccuracy in or omission from any such report, and (d) Buyer shall assume all liability and costs associated with federal, state and/or local environmental laws or regulations.
- 8. Property Survey.** Buyer may, at Buyer's expense, obtain an independent survey of the Property.
- 9. Title Insurance.** Buyer shall be responsible for the costs of issuance of a title insurance policy, to be obtained at the discretion of Buyer.
- 10. Zoning, Safety and Regulatory Compliance.** When title passes to the Buyer at Closing, the Property will immediately become subject to certain State safety and regulatory laws and to certain local ordinances and regulations (including zoning and use requirements) to which the Property was not previously subject to because it was owned by the State. Buyer acknowledges that in certain substantial respects the Property may not comply with such statutes, rules, ordinances and regulations and may have to be substantially altered or repaired to become compliant. Buyer acknowledges that it shall comply with all zoning and use requirements. The Buyer acknowledges that the Seller is under no obligation to take any action to bring the Property into compliance with such statutes, and that the Buyer has had the opportunity to make a personal inspection of the Property. The Buyer further acknowledges that it is the Buyer's responsibility to consult with all State and local regulatory agencies, which have and will continue to have, or will obtain jurisdiction.
- 11. Fees and Commissions.** If any person shall assert a claim to a fee, commission or other compensation in relation to this transaction, as a broker, finder, or other capacity or for performance of services as a broker or finder in connection with this Offer, the Buyer shall (a) indemnify, defend and hold harmless the Seller against and from any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought thereon (including without limitation, any and all attorney fees and costs incurred in defending against such claim) and (b) satisfy promptly any settlement or judgment arising from

any such claim or any action or proceeding brought thereon. Buyer acknowledges that Seller has not used the services of a broker in connection with this transaction.

12. Notices. Notices under this Offer shall be delivered to:

SELLER:
Department of Technology, Management & Budget
C/O Robert M. Burns, Director
Real Estate Division
3111 West St. Joseph Street
Lansing, MI 48933

Phone (517) 335-6877

BUYER:

Phone _____

Email _____

Facsimile or electronic notices shall not be accepted.

13. Buyer Representations and Warranties. Buyer represents and warrants to Seller:

13.1. Buyer has the full right, power and authority to purchase the Property as provided in this Offer and to carry out Buyer's obligations hereunder, and all requisite action necessary to authorize Buyer to enter into this Offer and to carry out its obligations hereunder have been, or by the Closing will have been, taken. The person signing this Offer on behalf of Buyer is authorized to do so.

13.2. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Buyer which, if adversely determined, could interfere with the consummation of the transaction contemplated by this Offer.

13.3. The representation and warranties of Buyer shall survive Closing.

14. Public Policy Provisions.

14.1. Nondiscrimination. Pursuant to MCL 37.2209 and MCL 37.1209, Buyer shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 *et seq.*; the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 *et seq.*; and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Offer, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Buyer agrees to include in every subcontract entered into for the performance of this Offer this covenant not to discriminate in employment. A breach of this covenant will constitute a material breach of a contract arising out of this Offer.

14.2. Unfair Labor Practices. Pursuant to MCL 423.324, the State may void a contract if Buyer or any of its contractors, subcontractors, manufacturers, or suppliers appear in the register compiled pursuant to 1980 PA 278, MCL 423.321 *et seq.* A breach of this covenant will constitute a material breach of a contract arising out of this Offer.

15. Termination. If the Buyer fails to perform any of its obligations under this Offer, the Seller will provide written notice of default to the Buyer. If the Buyer fails to cure within thirty (30) days after the Seller's written notice, Seller may terminate this Offer and any monies paid hereunder may be retained by the Seller as liquidated damages.

16. Miscellaneous Provisions.

- 16.1.** In the event that less than ten percent (10%) of the replacement value of the Property is damaged or destroyed by any casualty insured under the Seller's insurance policy, the Seller shall have the right, at its option, to repair said damage and restore the Property to its prior condition or to sell the Property in its damaged condition. Buyer may withdraw or terminate its Offer without recourse against the Seller.

In the event that between ten percent (10%) and fifty percent (50%) of the replacement value of the Property is damaged or destroyed by any casualty insured under the Seller's insurance policy, the Seller shall have the right, at its option, to repair said damage and restore the Property to its prior condition or to sell the Property in its damaged condition. Buyer may withdraw or terminate its Offer without recourse against the Seller.

In the event that more than fifty percent (50%) of the replacement value of the Property is damaged or destroyed by any casualty insured under the Seller's insurance policy, the Seller shall have the option of repairing, reconstructing, selling the Property in its damaged condition, or canceling the sale. Buyer may withdraw or terminate its Offer without recourse against the Seller.

- 16.2.** It is expressly understood and agreed that neither the Seller nor the Buyer shall assign its interest under this Offer or any portion thereof without the prior written consent of the other party, its successors or assigns.
- 16.3.** Prior to Closing, any news releases or other media releases to the public of information with respect to the sale of the Property or any matters set forth in this Offer will be made only in the form approved by Seller in writing.
- 16.4.** Each provision of this Offer shall be deemed to be severable from all other provisions of the Offer and, if one or more of the provisions of the Offer shall be declared invalid, the remaining provisions of this Offer shall remain in full force and effect.
- 16.5.** This Offer may be changed or modified only if in writing. This Offer cannot be changed orally, and no Offer shall be effective to waive, change, modify or discharge it in whole or in part unless such Offer is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.
- 16.6.** Each party will, without further consideration, execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively this Offer. Without limiting the generality of the foregoing, Buyer shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Buyer with respect to the Property. The provisions of this Section shall survive Closing.
- 16.7.** The provisions of this Offer and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party. Accordingly, no third party shall have the right to enforce the provisions of this Offer or of the documents to be executed and delivered at Closing.
- 16.8.** This Offer may be executed in any number of counterparts, each of which shall be deemed an original, and all of which when taken together, shall constitute the same instrument.
- 16.9.** Captions and headings used in this Offer are for information and organizational purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Offer.

16.10. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or made available by Seller to Buyer in connection with the transaction contemplated hereby. Buyer acknowledges and agrees that all materials, data and information delivered or made available by Seller to Buyer in connection with the transaction contemplated hereby are provided to Buyer as a convenience only and that any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Buyer acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered or made available by Seller to Buyer shall be for general information purposes only, (b) Buyer shall not have any right to rely on such report delivered or made available by Seller to Buyer, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Buyer with respect thereto, (c) neither Seller nor the person or entity which prepared any such report delivered or made available by Seller to Buyer shall have any liability to Buyer for any inaccuracy in or omission from any such report, and (d) Buyer shall assume all liability and costs associated with federal, state and/or local environmental laws or regulations.

17. Governing Law. This Offer shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.

18. Entire Agreement. This instrument constitutes the entire agreement between the Seller and the Buyer, and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, oral or written, concerning the transaction contemplated hereunder. This Offer shall inure to the benefit of and bind both parties and their respective agents, representatives, successors and assigns.

19. Effective Date. The Effective Date of this Offer shall be the date signed as accepted by the Director of the Department of Technology, Management & Budget, Real Estate Division.

Signed on behalf of Buyer this _____ day of _____, 2019.

WITNESSES

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name
Its: _____

Signature

Printed Name
Its: _____

ACCEPTANCE

On this _____ day of _____, 2019, the State of Michigan, by its Department of Technology, Management & Budget acting pursuant to Public Act 512 of 2016, and subject to the approval of the State Administrative Board, accepts the foregoing Offer according to its terms.

WITNESSES

STATE OF MICHIGAN

Signature

By: _____

Robert M. Burns, Director
Department of Technology, Management & Budget
Real Estate Division

Printed Name

Signature

Printed Name

EXHIBIT A

MICHIGAN DEPARTMENT OF CORRECTIONS CAMP KITWEN

LAND DESCRIPTION

A parcel of land being the North ½ of the Northwest ¼ of Section 1, T53N-R35W, and part of the Southwest ¼ of the Southwest ¼ of Section 36, T54N-R35W, Adams Township, Houghton County, Michigan described as:

Commencing at the North ¼ corner of Section 1; thence N89°51'00"W, 1,839.47 feet along the North line of Section 1 to a curve on the Easterly Right-of-Way line of Globe Mine Road; thence 642.68 feet along the Easterly Right-of-Way line on a curve to the right having a Radius of 1,388.00 feet and a Long Chord bearing N22°46'39"W, 636.96 feet to a curve on the Southerly Right-of-Way line of State Highway M-26; thence 566.72 feet along the Southerly Highway Right-of-Way on a curve to the right having a Radius of 1,837.28 feet and a Long Chord bearing S77°57'16"W, 563.98 feet to the West Line of Section 36; thence S00°23'56"W, 467.50 feet along the West line of Section 36 to the Northwest corner of Section 1; thence S01°57'07"W, 1,285.73 feet along the West line of Section 1 to the North 1/16 line of Section 1; thence S89°40'42"E, 2,669.36 feet along the North 1/16 line to the North-South ¼ line of Section 1; thence N00°40'50"E, 1,293.15 feet along the North-South ¼ line to the Point of Beginning containing 86.378 acres and subject to restrictions, reservations, rights-of-way and easements of record.