

I.

PROPERTY

The "Property" shall consist of all Seller's right, title and interest therein which shall include without limitation:

- a. All buildings, fixtures and appurtenances in or on the premises (unless specifically excepted) including, if any, lighting fixtures, shades, venetian blinds, drapery hardware, ventilating fixtures, screens, storm sash, automatic door openers and transmitters, attached equipment, awnings, landscaping, wall-to-wall carpeting and water softener, if any.
- b. All rights of Seller in and to all air, mineral (gas and oil) and riparian rights together with all tenements, hereditaments, privileges and appurtenances belonging or in any way appertaining thereto.
- c. All easements, whether or not recorded, strips and rights-of-way abutting, adjacent, contiguous or adjoining the Property but only to the extent of Seller's interest, if any, therein.
- d. Specifically excluded from the property being purchased and described are the Seller's flag poles and free standing stained cut glass window hanging inside the building which was made by the Seller's father.

II.

SALE AND CONVEYANCE

On the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell, warrant and convey to Purchaser and Purchaser agrees to buy from Seller the Property, subject only to the permitted exceptions as may hereafter be defined.

III.

PURCHASE PRICE

The purchase price to be paid by the Purchaser to the Seller for the Property shall be the sum of

\_\_\_\_\_, cash or certified check. Purchaser shall pay the purchase price to Seller at closing, plus or minus the net amount of any prorations and adjustments required by this Agreement less the deposit.

IV.

DEPOSIT

Simultaneously with the execution of this Agreement by Seller, Purchaser shall deliver to Lamont Title Corporation ("Escrow Agent") the sum of \_\_\_\_\_, representing the earnest money deposit ("Deposit"), the receipt of which the Escrow Agent shall acknowledge by its execution of this Agreement. The Deposit shall be held by the Escrow Agent in an interest bearing account (and the term "Deposit" shall include any and all interest accrued thereon) and shall be paid to Seller at the closing or otherwise refunded to Purchaser or disposed of as provided in this Agreement. At the closing Purchaser shall receive a credit against the purchase price for the Deposit. The cost of escrow shall be Purchaser's expense. Seller and Purchaser acknowledge the Escrow Agent is acting in that capacity as an accommodation to the parties and agree to hold the Escrow Agent harmless from any liability or claim with respect the Deposit other than claims for gross negligence or wilful misconduct. Seller and Purchaser agree that if there is any dispute regarding the Deposit, the Escrow Agent may tender the Deposit to the

Clerk of the Circuit Court for Oakland County, Michigan and Escrow Agent shall thereafter be relieved of all obligations with respect thereto.

V.

SURVEY

~~Within five (5) days of the date of this Agreement, Purchaser, at its sole~~  
expense, shall order an ALTA/ACSM land title survey of the Property to be signed and sealed by a registered land surveyor licensed in the State of Michigan. The survey shall contain a complete legal description, calculation of the gross land area, all boundary lines, topography and location of trees, as may be required by the City of Rochester Hills, together with the location of recorded easements and rights-of-way, including public utilities such as gas lines, pipe lines, electric lines, telephone or fiber optic lines, water mains, sanitary and storm sewers and cable television lines, whether within a recorded easement or outside it. In addition it shall locate and describe by metes and bounds the non-exclusive easement to be granted Purchaser over Parcel 3 (Exhibit A). The survey shall be sufficient to allow the title company to issue title insurance without standard exceptions and it shall be certified to the title company and to Purchaser. In addition the survey shall also certify whether or not the Property is in any flood plan, flood hazard area or wetlands.

If Purchaser's attorney shall object to the survey in writing within fifteen (15) business days of its delivery to Purchaser, that the Property as disclosed by the survey is not in the condition as required for performance hereunder, the Seller shall have fifteen (15) business days from the date Seller is notified in writing of the particular defect claimed either (i) to remedy the defect(s) or (ii) advise Purchaser in writing that Seller will not remedy the defect(s). If Seller notifies Purchaser that he

elects not to remedy the defect(s), Purchaser shall, within fifteen (15) business days after receipt of Seller's notice of refusal to remedy the defect(s), notify Seller that Purchaser will (i) either accept the Property with the defect(s) and proceed to close pursuant to the terms of this Agreement or (ii) terminate the Agreement and receive ~~refund of the Deposit including interest. If Seller remedies the defect(s) the~~ Purchaser agrees to complete the sale subject however to all other terms and conditions of this Agreement. If Purchaser's attorney does not raise an objection within fifteen (15) business days after Purchaser's receipt of a copy of the survey, any objections by Purchaser or its attorney to the survey shall be deemed waived.

## VI.

### TITLE

As evidence of title, Seller shall furnish Purchaser, at its sole expense, as soon as reasonably possible, but in no event later than fifteen (15) business days after the date of this Agreement, a title insurance commitment issued by Lamont Title Corporation and to issue to Purchaser at closing an ALTA owner's title policy - Form B, without standard exceptions, and with only such exceptions for such matters as are set forth in this paragraph as "permitted exceptions". These permitted exceptions are:

- a. Rights of public. The rights of the public in any streets, roads or highways now dedicated or used by the public or any unit or agency of state or local government, and;
- b. Taxes. The lien of real estate taxes which are not yet due and payable at the date of closing, and;

- c. Restrictions of Record. Easements, rights-of-way and restrictions of record which are not, as determined in the exercise of Purchaser's sole discretion, inconsistent with the Purchaser's intended development and use of the premises, and;
- d. Ordinances. ~~Zoning Ordinances of the City of Rochester Hills and~~ other applicable government statutes, ordinances, rules and regulations, and;
- e. Other. Those liens, encumbrances, easements and other matters disclosed in the commitment or survey which Purchaser may agree to in writing.

The title commitment and policy shall be in the amount of the purchase price and name Purchaser as the insured. The title insurance commitment shall be accompanied by copies of any instruments of record or other instruments concerning title reflected in the commitment. Such copies shall be provided at Seller's expense.

If Purchaser or its attorney have any objections to the condition of title, including but not limited to, exceptions or encumbrances which in the opinion of Purchaser or its attorney may interfere with Purchaser's intended use of the Property, Purchaser shall give written notice thereof to Seller. If such notice shall not be given within fifteen (15) business days after receipt of the title commitment, Purchaser shall be deemed to have waived any such objections and shall accept title subject to such objections. Any objections to title originated or recorded after the date of the title insurance commitment shall, however, be considered an unwaived objection to title unless Purchaser waives such objection in writing.

If objection to the title is made by Purchaser, the Seller shall have twenty (20) days from the date he is notified in writing of the objection claimed to either (i) remedy the objection or (ii) obtain title insurance insuring over claimed defects subject to Purchaser's approval. Within ten (10) days after receipt of Seller's written notice of his election, Purchaser shall have the right to (i) terminate this Agreement and receive a refund of the Deposit and accrued interest or (ii) accept the revised title commitment insuring over defects and close the sale. In this latter election, Seller shall be relieved of any responsibility to remedy the claimed title defect(s). If the Seller remedies the claimed title defect(s) and obtains a corrected title policy within the time specified the Purchaser shall complete the sale subject to all other terms and conditions of this Agreement.

The title commitment at closing shall be endorsed by the title company and the Seller concurrently with the closing shall cause a title policy to be delivered to Purchaser pursuant to the title commitment as endorsed effective as of the date of closing.

## VII.

### ENVIRONMENTAL INVESTIGATION

The Purchaser, at its sole expense, shall procure a Phase I environmental report to be made by a professional consultant of its choice and shall order such report within five (5) days after the date of this Agreement. Upon Purchaser's receipt of the report, it shall promptly deliver a true copy thereof to the Seller. If the report discloses evidence of possible contamination and concludes that a Phase II is recommended; then in that event, the Purchaser at Seller's sole expense shall cause the Phase II investigation and testing to be performed. A copy of the Phase II testing

report shall be promptly delivered to Seller. If remediation is required by the testing it shall be at the Seller's sole expense; provided that Purchaser's bid for a fixed price remediation is not in excess of TEN THOUSAND DOLLARS (\$10,000.00). If Purchaser's bid exceeds TEN THOUSAND DOLLARS (\$10,000.00), Purchaser shall forthwith deliver a copy of the bid to Seller and then the parties shall negotiate in good faith which of them or both shall pay and/or share the remediation costs, if any. If the parties are unable to reach a mutually agreeable settlement on the payment of such costs on or before five (5) business days after Seller has received a copy of the bid; then either party may terminate this agreement by written notice to the other and Purchaser's deposit shall be forthwith returned to it and the agreement shall be of no further force and effect.

Notwithstanding anything to the contrary, Seller may require, as a condition to Seller proceeding with the remediation, Purchaser's signed acceptance and waiver of all contingencies herein provided for Purchaser's benefit. The disclosures and notices required herein shall be made by both parties within fifteen (15) days of the event triggering the notice. If without fault of the Purchaser the requirements of this paragraph cannot be satisfied within the "due diligence" period provided in paragraph IX of this Agreement, then the "due diligence" shall be extended in time until such environmental requirements are satisfied as provided in paragraph IX herein.

#### VIII.

#### MORTGAGE CONTINGENCY

This sale is contingent upon Purchaser applying for and securing a five (5) year mortgage in the amount of ninety (90%) percent of the purchase price with

interest not greater than seven and one-half (7.5%) percent and with a thirty (30) year amortization within the "Due Diligence" period provided in this Agreement.

IX.

**DUE DILIGENCE PERIOD AND ACCESS**

The Purchaser shall have seventy five (75) days after the date it receives the title commitment and survey (whichever is last) in which to perform such due diligence and conduct such investigations as the Purchaser deems necessary in order to determine in Purchaser's sole discretion whether the property is suitable for the Purchaser's intended use ("Due Diligence"). Purchaser's intended use for the Property is new and used automotive sales, service, body shop and storage (Zoning B3). Such Due Diligence may include but shall not be limited to:

- a. Securing and Investigating the survey and title as provided in Articles V and VI herein.
- b. Securing and Investigating the environmental condition of the Property as provided in Article VII herein.
- c. Procurement of a mortgage commitment as provided in Article VIII.
- d. Investigating the availability of utility services, including but not limited to, gas, water, electricity, sanitary sewer, storm sewer and telephone service with sufficient capacity to met the Purchaser's requirements for such utility services.
- e. Investigating all applicable zoning ordinances, regulations, building codes and restrictions to determine whether such will permit the use of the Property for Purchaser's intended use.



- f. Making soil tests, boring and other engineering and structural tests to ascertain that the Property is suitable for construction of the improvements contemplated by the Purchaser.
- g. Investigation relative to existing or future necessary easements, retention ponds, drainage, wetlands, flood plains, woodlands, including tree removal requirements and topographic characteristics of the Property.

If at any time prior to the expiration of the Due Diligence period the Purchaser shall determine, in its sole opinion, that it is dissatisfied with the results of such investigations, then the Purchaser may deliver a written notice of its dissatisfaction to Seller terminating this Agreement. Upon such termination, Purchaser's Deposit and interest shall be refunded to it and this Agreement shall be null and void. If written notice of dissatisfaction and termination is not timely provided, then the Purchaser shall be deemed to be satisfied with its "due diligence" investigation of the Property and the sale shall proceed to closing in accordance with the remaining terms and conditions of this Agreement.

While this Agreement is in effect, the Purchaser, its employees, agents, engineers, consultants and surveyors shall have the right of access to the Property for the purpose of obtaining the surveys, inspections, environmental testing, soil tests and boring, if any, which the Purchaser may deem necessary; provided, however, that the Purchaser at its expense shall restore the Property to its condition existing prior to the making of any such surveys, tests, borings or inspections. The Purchaser shall indemnify and hold the Seller harmless from and against any and all claims, demands, suits, actions, proceedings, damages, liabilities, losses, cost and

expenses including reasonable attorney fees (collectively "Claims"), made as a result of the Purchaser's exercise of such right of access. If the Purchaser terminates (except for Seller's default) this Agreement at any time, the Purchaser shall deliver and assign to the Seller without charge and when received by the Purchaser, results of all tests and studies that the Purchaser undertakes pursuant to this paragraph.

Purchaser's warranties, covenants and indemnities shall survive the termination of this Agreement and/or the closing.

If, despite the best efforts of a party and without fault of a party, the environmental report(s) and notices required are cause for the Due Diligence period to be extended; the parties shall agree upon a reasonable extension of the period.

## X.

### REPRESENTATION AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser, as a material condition to Purchaser's obligations under this Agreement, the following as of the effective date of this Agreement and as of the closing:

- a. Seller has the full power, capacity, authority and legal right to execute and delivery this Agreement as well as to perform all transactions required of Seller for the performance of this Agreement, including without limitation, the sale, transfer and conveyance of the Property to Purchaser.
- b. As of the date hereof, Seller is the owner of title to the premises in the condition required for performance hereunder. From the effective date until closing, Seller shall refrain from transferring any part of the Property or creating on the Property any easements, liens, mortgages,

encumbrances or other interest which affect the Property or Seller's ability to comply to the terms of this Agreement.

- c. Seller is a "foreign person" within the meaning of the Internal Revenue Code §1445(f)(3) and he agrees to comply with all of the IRC requirements for withholding a percentage of the sale proceeds.
- d. To the best of Seller's knowledge, Seller has provided Purchaser with any and all written reports or documentation in connection with the physical condition of the Property which are in his possession.
- e. To the best of Seller's knowledge, there is no pending or threatened litigation, administrative action or examination, claim or demand whatsoever relating to the Property or any pending or threatened exercise of the power of eminent domain, condemnation proceeding with respect to the Property or any part thereof.
- f. To the best of Seller's knowledge, there are no existing violations nor has the Seller received any notice of any violations of any laws, zoning ordinances, regulations, orders or requirements of departments of housing, building, fire, labor, health or other municipal departments or governmental authorities having jurisdiction against or affecting the Property or the use or operation thereof. If Seller receives any such notice, Seller shall, within three (3) business day, furnish Purchaser with a copy thereof.
- g. To the best of Seller's knowledge, as of the date hereof, there are no special assessments outstanding or proposed which affect the Property. No work has taken place on the Property in the last one

hundred twenty (120) days which would entitle the provider a lien against the Property or if any such work has taken place the provider has been paid in full by Seller and Seller has received waivers of lien for such work.

- h. Seller has no knowledge that any underground storage tank has or is located on the Property and further that any hazardous substances, as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), 42 USC 9601 (14), Pollutants or contaminants as defined in CERCLA, 42 USC 9604 (A)(2), or hazardous waste as defined by the Resource Conservation and Recovery Act ("RCRA"), 42 USC 6903 (5), and/or oil and hazardous materials as defined in the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), such as, but not limited to, asbestos, oil and petroleum products, PCB-s or urea-formaldehyde, are now located over, beneath or on the Property or on or in any structures located on the Property.

The foregoing warranties shall be true and re-certified to Purchaser at closing and shall survive closing and not be merged in the deed to be given at closing.

## XI.

### REPRESENTATION AND WARRANTIES OF PURCHASER

Purchaser represents, warrants and covenants to Seller as follows:

- a. Purchaser and/or any assignee of Purchaser shall have the right, power and authority to purchase the Property and if a limited liability

company or corporation shall be in good standing within the state of Michigan.

- b. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms. Prior to or on the closing date, all documents required by this Agreement to be executed and delivered by Purchaser shall have been duly authorized, executed and delivered by Purchaser and all such documents contain, legal, valid and binding obligations of Purchaser, enforceable in accordance with its terms.

## XII.

### DEFAULTS

Upon default in connection with the performance of any of the terms and conditions of this Agreement by either party, the non-defaulting party shall send written notice of such default to the defaulting party and the defaulting party shall then have thirty (30) days in which to cure such default.

In the event of default by the Purchaser which has not been cured within the time period set forth above, Seller may retain the Deposit made as liquidated damages as its sole and exclusive remedy.

In the event of default by the Seller which has not been cured within the time period set forth above, Purchaser may, at its option, elect to enforce the terms hereof or demand and be entitled to an immediate refund of the Deposit plus interest, if any, together with reimbursement of the cost of the Phase I investigation and survey. In addition it shall have any other remedies available to it at law or in equity.

### XIII.

#### CLOSING

The closing of the transaction contemplated by this Agreement ("Closing") shall take place at a mutually agreeable place and time. The Closing date shall be the later of the following: (i) ten (10) business days after resolution of the survey, title, mortgage and environmental requirements as provided in paragraphs V, VI, VII and VIII herein or (ii) ten (10) business days after the expiration of the "Due Diligence" period provided in Article IX. Notwithstanding the Closing date, if both parties agree, the "Closing" may be extended to a mutually agreed upon time and place.

### XIV

#### CLOSING DOCUMENTS AND ACTIONS

At the Closing, Seller shall execute and deliver to Purchaser (as required) and Purchaser shall execute and deliver to Seller (as required) the following:

- a. Seller shall execute a good and sufficient Warranty Deed conveying marketable title as required herein to the Property, subject to the permitted exceptions and accompanied by a Transfer Valuation Affidavit and Property Transfer Affidavit.
- b. Seller shall order the title insurance commitment and policy required by this Agreement and shall cause the title commitment to be marked up to the effective date of the Closing.
- c. Seller shall execute a good and sufficient general warranty bill of sale for the personal property passing with the real property, together with a blanket assignment assigning all existing and assignable guarantees, warranties, bonds and similar assurances of payment, completion

and/or performance issued or made in connection with the construction, improvement, alteration and installation of any improvements upon any portion of the Property.

- d. Each party (Seller and Purchaser) shall execute and estoppel affidavit reaffirming the warranties and representations each of the parties have made herein, all of which shall survive Closing and not be merged with the deed.
- e. If Seller is a "foreign person" under the meaning of the Internal Revenue Code section referenced, Purchaser shall withhold the appropriate taxes from the proceeds due Seller from Purchaser at Closing.
- f. Seller and Purchaser shall execute and delivery to each other a closing statement showing the amounts by which the purchase price shall be adjusted as of the Closing date.
- g. Seller shall pay for all current county and state transfer taxes, the premium payable with respect to the owner's title insurance policy and the fees and charges of its own representatives, agents or contractors.
- h. Purchaser shall pay at Closing the recording fees with respect to the recording of its Warranty Deed and the fees and charges of its own representatives, consultants, surveyors, agents or contractors.
- i. Other documents: Seller and Purchaser shall each execute and deliver at Closing all instruments reasonably required by the title company or the other party hereunder.

XV.

TAXES AND ASSESSMENTS

All taxes and assessments which have become a lien upon the Property at the date of Closing shall be paid by the Seller. Current taxes, if any, will be prorated and adjusted as of the date of Purchaser's possession date in accordance with the due date basis of the municipality or taxing unit in which the Property is located.

XVI.

NOTICES

Any notice to be given or served upon any party to this Agreement must be in writing and shall be deemed to have been given: (i) upon receipt in the event of personal service by actual delivery (including by telecopy or delivery service), (ii) the first business day after posting if deposited in the United States mail with proper postage and dispatched by certified mail, return receipt requested, or (iii) upon receipt if notice is given otherwise than by personal service or by certified mail. All notices shall be given to the parties at the following addresses:

IF TO PURCHASER:	SHELTON LAND COMPANY, LLC Attn: RUSSELL M. SHELTON 855 S. Rochester Road Rochester Hills, Michigan 48307
WITH A COPY TO:	ARTHUR R. COX, ESQ. BEBOUT, POTERE & COX, P.C. 1000 W. University Drive, Suite 203 Rochester, Michigan 48307
IF TO SELLER:	JOHAN N. BECH 214 Dexter Street P.O. Box 667 Elk Rapids, Michigan 49629
WITH A COPY TO:	DONALD D. COOK, ESQ. 20943 Norwood Drive Harper Woods, Michigan 48225



Any party to this Agreement may at any time change the address for notices to that party by giving notice in the above manner.

Whenever this Agreement requires that something be done within a period of days, that period shall (i) not include the day from which the period commences, (ii) ~~include the day upon which the period expires,~~ (iii) ~~expire at 5:00 p.m. eastern~~ standard time on the date by which the thing is to be done and (iv) be construed to mean calendar days: provided, that if the final day of the period falls on a Saturday, Sunday or legal holiday where the thing is to be done, the period shall extend to the first business day thereafter.

#### XVII.

#### ADDITIONAL GENERAL CONDITIONS

A. Seller, at its election and written notice to Purchaser delivered ten (10) days prior to closing, may retain possession of the property for a period of not more than six (6) months after closing. The parties agree that the daily occupancy rate shall be the sum of FIVE HUNDRED EIGHTEEN and 73/100 DOLLARS (\$518.73 ) per day and Seller agrees to pay same in advance on a monthly basis. The first thirty (30) days usage shall be paid at closing and thereafter on the same day of each thirty (30) day period thereafter. If occupancy is terminated prior to the expiration of any thirty (30) day extension then the unused advance occupancy payment shall be returned to Seller.

B, All utilities shall be prorated as of the date of possession. Seller shall be responsible for obtaining final readings as of the date of Closing on all utilities such as, but not limited to, electric, gas, sewer and water, if any.

C. Seller and Purchaser each acknowledge and agree that time is of the essence under this Agreement and that each of them shall proceed diligently and in good faith to fulfill each of their obligations under this Agreement.

D. Both parties represent that neither is, has or shall be represented by a broker and no broker or finder fees shall be due on the consummation of the sale by Seller or Purchaser.

E. This Agreement embodies the entire understanding between the parties with the respect to the transaction contemplated herein and all prior contemporaneous agreements or statements (oral or written) are merged into this Agreement. Neither this Agreement nor any provision herein may be waived, modified, amended, discharged or terminated except in writing signed by the party against whom the enforcement thereof is sought and then only to the extent as set forth in such writing.

F. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement. This Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained within the body of this Agreement.

G. Each party acknowledges and agrees that they have consulted competent legal counsel in connection with the negotiation of this Agreement and that they have bargaining power equal to that of the other party in connection with the negotiation and execution of this Agreement. The parties agree the rule of

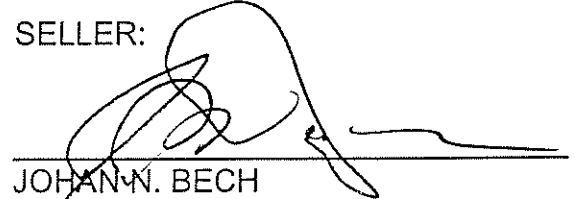
contract construction that an agreement shall be construed against the draftsman shall not apply in the construction or interpretation of this Agreement.

H. The covenants and agreements contained herein shall be binding upon and inure to the benefit of not only the parties hereto but their heirs, personal representatives, trustees, successors and assigns. Purchaser may assign this Agreement to any business entity in which Purchaser shall have majority control; provided, notice and proof of such entity and ownership is given to Seller.

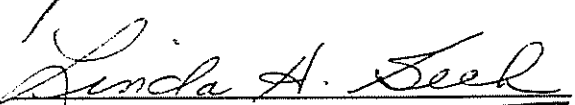
I. This Agreement shall be governed by and construed in accordance with the laws of the state of Michigan.

THIS AGREEMENT has been signed by the parties hereto on this 30TH. day of January, 2006.

SELLER:



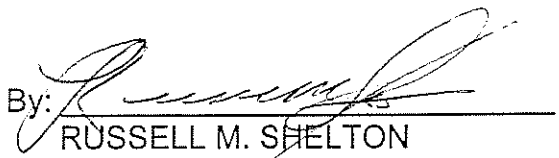
JOHAN W. BECH



LINDA H. BECH

PURCHASER:

SHELTON LAND COMPANY, LLC, a Michigan limited liability company

By: 

RUSSELL M. SHELTON  
Its President



ACCEPTANCE OF ESCROW

The undersigned agrees to hold the earnest money deposit provided herein and deposit same in interest bearing account and apply the same in accordance with the terms and conditions of this Real Estate Purchase and Sales Agreement.

Dated: 2-2-06

LAMONT TITLE CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

*[Handwritten Signature]*  
*Bryan Medeiros*  
*UPP Attorney*

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION  
(BECH - SHELTON)**

Parcels # 1, 2, and IV identified as such on a survey prepared by Donald W. Ross Associates of Brighton, Michigan 48116 dated June 9, 1981, for House of Denmark together with a non-exclusive easement for ingress, egress and public utilities including but not limited to sewer running over, on and in a strip of land on the east side of Parcel 3 sufficiently wide to satisfy the City of Rochester Hills in order to provide access to Avon Road and utilities therein for the benefit of the parcels (1,2 & IV) and the Purchaser's adjacent automobile dealership property.

NOTE: The above parcels and the easement shall be more particularly described in a survey to be secured by Purchaser at its sole expense as specifically provided in Article V of the parties purchase agreement.