

**CITY OF ROCHESTER HILLS OFFER TO PURCHASE/
AGREEMENT TO PURCHASE PROPERTY**

The CITY OF ROCHESTER HILLS (the "Buyer"), agrees to purchase from Stoney Brook Meadows, LLC, a Michigan Limited Liability Company (the "Sellers"), the following described real property (the "Property"):

SEE ATTACHED EXHIBIT "A"

In the City of Rochester Hills and to pay the purchase price of Two Million, Seven Hundred, Seventy Thousand, and no/100 Dollars (\$2,770,000) under the following terms and conditions:

1. Seller shall assist Buyer in obtaining all discharges or releases necessary to remove all liens and encumbrances from the Property so as to vest a marketable title in Buyer.
2. Taxes, special assessments and utility charges which have become a lien on the Property as of the effective date of this Agreement shall be paid by the Seller at or prior to closing. Current taxes on the Property shall be prorated between the parties on a due date basis.
3. Seller shall deliver to Buyer a Warranty Deed conveying marketable title to the Property upon payment of the purchase money at closing, by check drawn upon the account of the City of Rochester Hills or, at Buyer's option, by wire transfer.
4. Seller shall, at its own expense, provide a title insurance commitment, and shall disclose any unrecorded encumbrances against the Property.
5. Buyer agrees to deposit with the title insurance company, as escrow agent, within 14 business days after the Effective Date of this Agreement, an earnest money deposit in the amount of \$50,000.00. The deposit, and any interest earned thereon, shall, at closing, be paid to Seller and credited to Buyer against the purchase price.
6. This Agreement is binding upon the parties, and closing shall occur with thirty (30) days after (1) any title deficiencies have been corrected and encumbrances have been extinguished to the satisfaction of the Buyer, or (2) expiration of the inspection and testing period in paragraph 11 below, whichever is later, unless extended by mutual agreement of the parties in writing.
7. After receiving a title insurance commitment from Seller, Buyer shall notify the Seller, within 14 days, of any deficiencies or encumbrances of the title, and Seller shall then proceed to remove the deficiencies. If the Seller fails to remove or discharge the title deficiencies or encumbrances to Buyer's satisfaction, the Buyer shall have the option of proceeding under the terms of this Agreement to take title in a deficient condition or to declare this Agreement null and void, in which case any deposit tendered to the Seller shall be returned immediately to the Buyer upon demand, together with any interest earned thereon.
8. The purchase price for the Property presumes the Property is free of all environmental contamination. Although the Buyer will not withhold or place in escrow any portion of this sum, the Buyer reserves its rights to bring Federal and/or State and/or local cost recovery actions against the Seller and any prior owners and any other potentially responsible parties, arising out of a release of hazardous substances at the Property.
9. Seller shall forthwith provide Buyer with a copy of all environmental studies, reports and analyses in Seller's possession relating to the environmental condition of the Property.
10. To the best of Seller's knowledge, other than as may be disclosed in the environmental reports and documentation provided to Buyer pursuant to the preceding paragraph, no hazardous or toxic substances have been released into or deposited upon or below the surface of the Property or stored or used on or in the Property. The Property does not contain any hazardous waste, as defined in the Comprehensive Environmental Response, Compensation and Liabilities Act (CERCLA) or any other environmental hazard or

contamination provided under CERCLA or any applicable federal, state or local laws, regulations, rules, orders or ordinances.

11. Buyer shall have 120 days from the Effective date hereof, to inspect the Property, review the environmental studies and documents provided by Seller, review public records pertaining to the Property, conduct environmental and other investigations concerning the Property and to obtain and evaluate any other tests and/or data desired by Buyer to evaluate the condition and suitability of the Property. This 120 day inspection and testing period may be extended upon mutual consent of Seller and Buyer, which consent shall not be unreasonably withheld. *AND TO ARRANGE FINANCING, IF NECESSARY.*

*PAP
DJK
8-21-07*

12. Seller intends to convey to Buyer the right to make any an all land divisions allowable under Section 108 of the Michigan Land Division Act.

13. In the event of default by Buyer, Seller shall be entitled to receive the earnest money deposit, and any interest earned thereon, in full termination of this Agreement as Seller's sole and exclusive remedy against Buyer, which deposit Seller and Buyer hereby acknowledge to be Seller's liquidated damages as a result of Buyer's default. In the event of Seller's default, Buyer may, at Buyer's option, elect to have specific performance or receive a full and immediate refund of its earnest money deposit, together with any interest earned thereon, in full termination of this Agreement.

14. Seller acknowledges that this offer to purchase is contingent on and subject to approval by Rochester Hills City Council before it will be binding on Buyer.

15. The Effective date shall be the date the last party signs this Agreement.

16. Additional conditions, if any:

- a) This offer shall be null and void unless accepted by both Buyer and Seller on or before September ~~2, 2007~~ *27, 2007, PAP 8/22/07*
- b) Buyer shall have the right to assign this Agreement. *DJK 8/28/07*

SELLER HEREBY ACKNOWLEDGES THAT NO PROMISES WERE MADE EXCEPT AS CONTAINED IN THIS AGREEMENT.

IN WITNESS WHEREOF, the undersigned herunto affixed their signatures this 30th day of JULY, 2007.

In presence of
[Signature]
[Signature]

CITY OF ROCHESTER HILLS (BUYER):

Patricia A. Pettit

SELLER(S):

[Signature]

EXHIBIT "A"

T3N, R11E, SEC 1 PART OF NW ¼; BEG AT NW ¼ COR; TH S 00-40-00 E 1345 FT; TH S 27-02-00 W 541.15 FT TO CEN LINE STONY CREEK; TH ALG CEN LINE CREEK N 81-22-55 W 84.20 FT; TH N 72-21-45 W 59.01 FT; TH N 68-26-25 W 83.91 FT; TH N 54-34-10 W 129.96 FT; TH N 43-39-30 W 230.99 FT; TH N 41-03-05 W 153.48 FT; TH N 63-36-45 W 35.16 FT; TH N 79-54-50 W 53.61 FT; TH S 73-17-45 W 138.03 FT; TH S 53-27-05 W 72.35 FT; TH LEAVING CREEK N 11-34-20 E 35 FT; TH N 11-13-00 E 1459 FT; TH E 795 FT TO BEG 35.24 AB 12A