

AGREEMENT TO BUY AND SELL REAL PROPERTY

THIS AGREEMENT TO BUY AND SELL REAL PROPERTY is executed between the Inland Lakes Machine Inc., a Michigan corporation, of 314 Haynes Street, Cadillac, Michigan 49601 (“Buyer”), and the City of Cadillac, a Michigan municipal corporation, of 200 North Lake Street, Cadillac, Michigan 49601 (“Seller”). The “Effective Date” of this Agreement is the date it is signed by Seller.

RECITALS

Seller is the owner of real property located at 326 Haynes Street, Cadillac, Michigan 49601 (PPN 10-056-00-026-00), in the City of Cadillac, County of Wexford, State of Michigan and legally described on Exhibit A (to be attached after survey and title work are obtained), together with all easements, improvements and appurtenances thereto (“Overall Property”). Buyer wishes to purchase a portion of the Overall Property (the “Real Property”). The Overall Property adjoins real property owned by Buyer.

AGREEMENT

The parties agree as follows:

1. Sale and Purchase. Seller agrees to sell the Real Property to Buyer, and Buyer agrees to purchase the Real Property from Seller, for the Purchase Price and according to the terms and conditions set forth in this Agreement. Buyer will pay to Seller the Purchase Price in immediately available funds at the Closing.

2. Definitions. As used in this Agreement, the following terms are defined as:

(a) Agreement: This Agreement to Buy and Sell Real Property.

(b) Closing: Consummation of the transaction described in this Agreement. The Closing will take place on a day mutually determined by the parties, but not later than 30 days after approval of a land division of the Overall Property (the “Closing Date”), at the office of the Title Insurance Company, or such other place as the parties may agree. “Pre-Closing” means that period from the date of this Agreement to the Closing Date, during which time the parties will work in good faith to satisfy all requirements of this Agreement necessary to transfer the Real Property.

(c) Purchase Price: The Purchase Price shall be One Dollar and 00/100 (\$1.00), payable by certified funds or wire transfer at Closing. Buyer will also donate Ten Thousand Dollars and 00/100 (\$10,000) to Seller to develop the adjacent micropark.

(d) Title Insurance Company: Lighthouse Title Inc. (Cadillac Title).

(e) Permitted Encumbrances. All encumbrances noted on the public record and not objected to by Buyer are Permitted Encumbrances.

3. Title and Survey.

(a) Warranty Deed. At the Closing, Seller will transfer the Real Property to Buyer by warranty deed, subject to the Permitted Encumbrances.

(b) Title Insurance. Within fourteen (14) days of the Effective Date, Seller will obtain a title commitment for an ALTA Owner's title insurance policy from the Title Insurance Company, which will include copies of all recorded documents identified in the title commitment, in the amount of the Purchase Price, covering title to the Real Property on or after the Effective Date, showing Seller as the owner of the Real Property. The title commitment will be subject to standard exceptions unless Buyer provides the survey described below, and will not provide coverage over the Permitted Encumbrances. Buyer shall be responsible for the delivery of any survey required by the Title Insurance Company for the removal of standard exceptions. Any failure to deliver such a survey shall mean that the title insurance policy will be issued with standard exceptions. If the title commitment contains any exception that is not a standard exception and Buyer provides written notice to Seller within ten (10) days after receipt of the title commitment, then Seller shall have the option, but not the obligation, to promptly remove such exception. If Seller elects to not remove such exception (in which event Seller shall notify Buyer in writing within seven (7) days of receipt of Buyer's notice), then Buyer or Seller may terminate this Agreement by written notice to the other within seven (7) days of Seller's written notice of its election not to remove the exception objected to by Buyer. If neither Buyer nor Seller terminate this Agreement, then the parties shall proceed to Closing and such exception shall be treated as a Permitted Encumbrance. If Buyer or Seller terminate this Agreement, the parties will have no further rights or obligations hereunder except as otherwise specifically provided. Buyer will pay the cost of a title insurance policy to be subsequently issued pursuant to the title commitment.

(c) Survey. Seller will promptly provide to buyer a copy of any survey of the Overall Property in Buyer's possession. Buyer may, at its option, obtain a new or updated survey ("Survey") of the Real Property, as appropriate for a land division application. Any defects set forth on the Survey which are not objected to in writing from Buyer to Seller within the Feasibility Period shall be deemed accepted by Buyer and shall be "Permitted Encumbrances". If Seller is unable or unwilling to cure such defects by the Closing Date, then Buyer shall have the rights ascribed to Buyer the same as if Seller fails to cure a title defect.

(d) Buyer and Seller will cooperate to obtain a division of the Overall Property.

4. Contingencies. The obligation of Buyer and Seller to close under this Agreement is contingent upon approval of Seller's City Council. Buyer's obligations under this Agreement are subject to the satisfaction or waiver of each and all of the following conditions:

(a) Feasibility; Inspections and Investigations. Buyer shall complete any inspections and investigations of the Real Property (including without limitation environmental inspections, and of any easements, leases, and/or other encumbrances) and determining at Buyer's reasonable discretion that it is feasible and desirable for Buyer to own and operate the

Real Property in a manner and upon terms and conditions reasonably satisfactory to Buyer, and that Buyer, in its reasonable discretion, is satisfied with the results of its inspections and investigations of the Real Property. Except as provided in Section 3(b) with respect to title matters, Buyer shall have until Closing (the "Feasibility Period") to give Seller written notice of any objections to any material matter involving the Real Property. Seller shall then have five (5) days after receipt of such a written objection to cure the objectionable matter. Seller may, at any time after receipt of a timely objection from Buyer, terminate this Agreement rather than cure the objectionable matter, in which event the Deposit shall be returned to Buyer and the parties shall have no further rights or obligations hereunder except as otherwise specifically stated. If Seller attempts but does not or cannot cure an objectionable matter within such five (5) day period, then Buyer may, at any time before the completion of such cure, provide written notice to Seller terminating this Agreement, the parties shall have no further rights or obligations hereunder except as otherwise specifically stated. The Closing will be extended to accommodate any objections.

(b) Effect of No Notice. If Buyer fails to give Seller timely written notice of an objection to any material matter within the Feasibility Period, then any and all objections of Buyer shall be deemed waived, and the parties shall proceed to Closing.

(c) Land Division/Lot Split. Buyer and Seller will cooperate to obtain the approval of the City of Cadillac to a division of Seller's property to create a separate parcel for the Real Property. Buyer will complete all items necessary to obtain such approval, and Seller will sign any reasonably requested forms. Buyer and Seller have no obligation to close if the land division is not approved.

(d) Governmental Action. Except as specifically set forth herein, Seller has no obligation to take any action, or not take any action, in its role as a governmental entity.

5. Feasibility Period.

(a) Feasibility Period. During the Feasibility Period, Buyer will have full access to the Real Property during normal business hours for purposes of fully inspecting the same.

(i) During the Feasibility Period, Buyer and its employees, agents or contractors may go upon the Real Property for the purpose of making any investigations or inspections which Buyer deems necessary. Buyer shall use reasonable efforts to minimize any disturbance to the Real Property.

(ii) Buyer shall indemnify, defend and hold Seller harmless from and against any and all liens, claims, losses, damages and liabilities arising out of Buyer's (and/or its employees, agents or contractors) entry onto the Real Property prior to Closing. Any damage caused by such entry, inspections, testing or studies shall be promptly repaired by Buyer. The provisions of this Section shall survive the Closing or any termination of this Agreement.

(b) Closing.

(i) Closing Documents. The Closing will take place within thirty (30) days after approval of the land division described above. At the Closing, the following documents will be executed and delivered by and between the parties:

(A) Seller and Buyer will execute and deliver to each other a Closing Statement reflecting the manner in which the Purchase Price is allocated and paid.

(B) Seller will obtain, at Seller's cost, an owner's policy of title insurance in the form contemplated by Section 3(b).

(C) Seller will execute and deliver the warranty deed for the Real Property.

(D) The parties will execute such further documentation as is reasonably necessary to evidence and close the transaction.

(ii) Purchase Price. At the Closing, Buyer shall pay the Purchase Price in immediately available funds, subject to adjustment as provided below.

(iii) Closing Costs. At the Closing, the following expenses will be paid and the Purchase Price will be adjusted in accordance with the following provisions:

(A) Buyer will pay all real property taxes and assessments due or payable after Closing.

(B) Seller will pay any Michigan real property transfer tax applicable to this transaction. Buyer will be responsible for all recording fees pertaining to the deed.

(C) Seller and Buyer shall share equally any closing fees charged by the Title Insurance Company.

6. Possession. Seller will tender possession of the Real Property to Buyer at Closing.

7. Warranties and Representations; Covenants; AS-IS Condition.

(a) Warranties and Representations. Seller represents and warrants to Buyer as follows:

(i) Authority. Subject to the approval of Seller's City Council, Seller has the full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed by Seller, and all required actions and approvals have been taken and obtained. The individuals signing this Agreement and all other documents executed or to be executed on behalf of Seller are and will be authorized to sign on Seller's behalf and to bind Seller.

This Agreement and all documents to be executed by Seller are and will be binding upon and enforceable against Seller.

(b) Buyer's Warranties and Representations. Buyer represents and warrants to Seller as follows:

(i) Authority. Buyer has the full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed by Buyer, and all required actions and approvals have been taken and obtained. The individuals signing this Agreement and all other documents executed or to be executed on behalf of Buyer are and will be authorized to sign on Buyer's behalf and to bind Buyer. This Agreement and all documents to be executed by Buyer are and will be binding upon and enforceable against Buyer.

(c) Survival of Representations and Warranties. Any and all representations, warranties and agreements made by Buyer or Seller in this Agreement or in any instrument to be furnished pursuant to this Agreement will be true through and will survive the Closing. Each party agrees to notify the other promptly if it becomes aware of any transaction or occurrence prior to the Closing Date which would make any of their agreements, representations or warranties in this Agreement untrue in any material respect.

(d) "AS-IS" "WHERE-IS" Condition of Real Property

(i) BUYER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE REAL PROPERTY "AS-IS" "WHERE-IS" AND "WITH ALL FAULTS" WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM, OR ON BEHALF OF, SELLER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT SELLER DISCLAIMS ANY AND ALL IMPLIED WARRANTIES CONCERNING THE REAL PROPERTY AND ANY PORTIONS THEREOF INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(ii) Buyer is relying strictly upon Buyer's due diligence, investigations and inquiries to make the decision to purchase the Real Property and to close. Upon Closing, Buyer will be deemed to have been fully satisfied with the results of its inspections and investigations regarding the Real Property. Seller has no obligation after Closing to cooperate in any approvals or permits or to take or not take any governmental action. Seller specifically disclaims any and all warranties or knowledge regarding the environmental condition regarding the Real Property. Seller advises Buyer to obtain environmental reports and studies regarding the Real Property. Buyer acknowledges that upon Closing, it will be deemed to have full knowledge regarding the Real Property.

8. Default.

(a) By Seller. Upon occurrence of any event of default by Seller, Buyer's sole remedy shall be to terminate this Agreement.

(b) By Buyer. If, after the satisfaction of all contingencies, Buyer refuses to close this transaction, Seller may terminate this Agreement.

9. Miscellaneous.

(a) Assignment. This Agreement may be assigned by Buyer with the written consent of Seller, which consent will not be unreasonably withheld. Buyer's assignee will enjoy the full rights and benefits of this Agreement as if it were Buyer, but Buyer shall remain fully liable hereunder.

(b) Eminent Domain. If, after the execution of this Agreement, but prior to Closing, all or any material portion (in Buyer's reasonable judgment) of the Real Property is taken by exercise of the power of eminent domain or any proceedings are threatened or instituted to effect such a taking, Seller will immediately give Buyer notice of such occurrence, and Buyer may, within fourteen (14) days after receipt of such notice, elect either (i) to terminate this Agreement, in which event the Deposit will be returned to Buyer and all obligations of the parties will cease and this Agreement will have no further force and effect, or (ii) to close the transaction contemplated hereby as scheduled (except that if the Closing Date is sooner than fourteen (14) days following Buyer's receipt of such notice, Closing will be delayed until Buyer makes such election), in which event Seller will assign and/or pay to Buyer at Closing all condemnation awards or other damages collected or claimed with respect to such taking.

(c) Notices. All notices, requests and demands to or upon any party to this Agreement must be in writing and delivered personally or mailed first class, postage prepaid. Notice will be deemed effective on the date postmarked, if by mail, or on the date of delivery, if personally delivered.

(d) Waiver. No provision in this Agreement may be waived except in a writing signed by the waiving party. No oral statements, course of conduct or course of dealing will be deemed a waiver. No waiver by any party of any violation or breach of this Agreement will be deemed or construed to constitute a waiver of any other violation or breach, or as a continuing waiver of any violation or breach.

(e) Binding Effect. This Agreement will be binding upon and inure to the benefit of the parties and their successors and assigns.

(f) Merger and Modification. This constitutes the entire Agreement between the parties and any prior discussions, negotiations and agreements between the parties are merged herein. No amendment or modification of this Agreement will be enforceable except if in writing and signed by the party against whom enforcement is sought.

(g) Governing Law. This Agreement is governed by the laws of the State of Michigan.

(h) Professional Representation. Each of the parties shall pay all of the costs that it incurs incidental to this Agreement and the performance of any related obligations, whether or not the transactions contemplated by this Agreement are consummated. The parties have had a full and fair opportunity to consult with advisors of their choosing regarding this Agreement and the transactions contemplated herein. The parties enter into this Agreement knowledgeably and voluntarily. This Agreement shall be construed in a reasonable manner consistent with good faith and as if the parties had jointly drafted it.

(i) Severability. Any terms of this Agreement that may be found to be contrary to law or otherwise unenforceable will not affect the remaining terms of this Agreement, which will be construed as if the unenforceable terms were absent from this Agreement.

(j) Time of Performance. Time is of the essence of this Agreement.

(k) Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. The delivery of an executed signature page to this Agreement by facsimile, electronic or telecopy transmission shall constitute due execution and delivery of this Agreement for all purposes.

10. Acknowledgment. By signing this Agreement, the parties acknowledge that they have read this document, they know its contents and they are voluntarily signing it.

(Signatures on Following Page)

BUYER:

INLAND LAKES MACHINE INC.

By: _____
Print Name: _____
Its: _____

SELLER:

CITY OF CADILLAC

By: _____
Print Name: Carla J. Filkins
Its: Mayor

And By: _____
Print Name: Keri Lanning
Its: Deputy Clerk

EXHIBIT A
(Legal Description)

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