

PURCHASE AGREEMENT

This Agreement is entered into this _____ day of _____, 2016, by and between Tawas Area Schools, a Michigan general powers school district organized and operating under provisions of the Revised School Code, MCL 380.1, *et seq*, as amended, whose address is 245 W. M-55, Tawas City, Michigan 48762 (the "Seller") and _____, a _____, whose address is _____ (the "Purchaser"), for the transfer by the Seller to the Purchaser of an approximately _____ square foot school building on an approximately _____ (_____) acre parcel of real property commonly known as the "Tawas Middle School" located at 825 2nd Street within the City of Tawas City, Iosco County, Michigan, and legally described in Exhibit "A" attached (the "Property").

I. Property Transferred. The Purchaser shall purchase and receive and the Seller shall sell the Property and the building located thereon and, if any, all easements and all other interests and rights of Seller which are appurtenant to the real estate, including, but not limited to, all right, title, and interest, if any, of the Seller in and to any land lying in street, road or avenue in front of, within or adjacent to, or adjoining such land. In addition, all personal property located on the Property on the day of closing shall be transferred to the Purchaser, including without limitation any trash or other debris located on the Property. Thereafter, the Purchaser shall be responsible and assume all liability for the personal property.

II. Purchase Price. The Property shall be purchased for the sum of _____ and 00/100 Dollars (\$_____). As additional consideration, the Purchaser agrees to take the Property subject to the disclaimer of warranties and transfer of environmental liability provisions contained in Paragraphs V and VI, below.

III. Deposit. The Seller and the Purchaser acknowledge and agree that a deposit of One Thousand and 00/100 Dollars (\$1,000.00) has been provided by the Purchaser to the Seller. The deposit shall be credited to the purchase price and closing costs at the closing described in Paragraph IV, below.

IV. Closing and Possession. The closing of the sale described herein shall take place at the office of the Seller's Superintendent of Schools, which closing shall occur on or before _____, 2016. The Seller shall be entitled to retain possession of the Property, at no cost, until October 1, 2016.

V. Property Taxes. The Seller shall pay all real property taxes, if any, on the Property prior to the date of closing. The Purchaser shall be responsible for all real property taxes on the Property which become due on or after the date of closing.

VI. Disclaimer of Warranties. PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PURCHASER HAS CONDUCTED ALL INSPECTIONS WHICH, IN ITS SOLE DISCRETION, IT HAS DETERMINED TO BE NECESSARY TO ESTABLISH THE CONDITION OF THE PROPERTY. THE SELLER DISCLOSES AND THE PURCHASER ACKNOWLEDGES THAT THE BUILDING LOCATED ON THE PROPERTY IS IN THE STATE OF DISREPAIR AND CONTAINS ASBESTOS AND ASBESTOS-

CONTAINING PRODUCTS. AT CLOSING, THE PURCHASER WILL EXECUTE THE PURCHASER'S STATEMENT THAT IS ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "B" (THE "PURCHASER'S STATEMENT"). THE PURCHASER'S STATEMENT CONFIRMS IN WRITING THAT THE PURCHASER HAS INSPECTED THE PROPERTY AND AGREES TO TAKE THE PROPERTY "AS IS", WITH ALL PERSONAL PROPERTY AND DEBRIS, AND IN ITS PRESENT CONDITION AND THAT THERE ARE NO OTHER OR ADDITIONAL WRITTEN OR ORAL UNDERSTANDINGS. THE PURCHASER'S STATEMENT ALSO PROVIDES THAT THE SELLER EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND WITH REGARDS TO THE PROPERTY.

VII. Environmental Matters. It is the intention and agreement of the Seller and the Purchaser that following conveyance of the Property to the Purchaser, the Seller shall have no liability or exposure with respect to any environmental remediation required on the Property or with respect to claims of third parties arising out of or based upon exposure, subsequent to such conveyance, to hazardous substances or other conditions known or unknown which may be in or about the Property, and as stated above, the Purchaser is accepting the Property in its "as is" condition with full liability therefor. The Seller and the Purchaser agree, if a conveyance of the Property occurs:

(a) The Purchaser shall, at its sole expense, be responsible for and pay the cost of and indemnify the Seller from, including payment of Seller's actual attorneys' fees, any and all environmental assessments and remedial actions, if any, required pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended), Act 451 of the Michigan Public Acts of 1994, as amended, or any and all other applicable Federal, State or local statutes, laws, ordinances, codes, rules, regulations, and guidelines (including consent decrees and administrative orders) relating to public health and safety and the protection of the environment.

(b) The Purchaser shall, at its sole expense, be responsible for and pay the cost of investigation, repairs and modifications as are necessary to assure that the Property is safe and appropriate for its intended uses and that the Property complies with all applicable building codes or other applicable laws or regulations; and are not in violation of any federal, state or local laws, regulations or orders pertaining to the environment or use of the Property.

(c) The Purchaser further agrees that it shall, at its expense, defend against any claims asserted by third parties and indemnify the Seller, including payment of Seller's actual attorneys' fees from any exposure in and about the Property after the date of closing to any hazardous waste as defined in Section 11103(3) of Act 1994 PA 451, as amended, or as defined in any other applicable federal or state law, regulation, ruling, order, or as a result of any other allegedly dangerous conditions known or unknown existing in and about the Property as of the date of conveyance to the Purchaser.

(d) The Purchaser shall not look to the Seller or its successors or assigns, for any reimbursement, apportionment, or contribution with respect to the liability assumed, and expenditures incurred by Purchaser pursuant to subparagraphs (a), (b) and (c) above, by reason of the existence of any hazardous waste (as above defined) or which may be assessed as response

costs or investigative costs by any governmental agency, whether such right be pursuant to common law or by statute.

(e) The provisions of this Paragraph VII shall, in the case any one or more of the same is deemed to be unenforceable, be severable, meaning that the unenforceability of any given provisions shall not affect the enforceability of the remaining provisions.

(f) This Paragraph VII shall inure to the benefit and be binding upon the Purchaser, its successors and assigns, including any party to whom any of the Property is conveyed or leased in whole or in part, by the Purchaser.

(g) The provisions of subparagraphs (a) through (f), above, shall survive closing. At the Seller's option, at the closing, the provisions of subparagraphs (a) through (f) shall be placed in recordable form, signed and acknowledged by Purchaser and Seller and then recorded by Seller, at its expense, with the Iosco County, Michigan, Register of Deeds. A copy of the Transfer of Liability and Indemnification Agreement is attached hereto and made a part hereof as Exhibit "C".

VIII. Attorney's Opinion. Purchaser acknowledges that the Seller has recommended that the Purchaser retain an attorney to pass on the marketability of the title to the Property and to review the details of the sale before the closing.

IX. Special Assessments. Special Assessments which are or become a lien on the Property before the date of closing shall be paid by the Seller. Special assessments which become a lien on the Property on or after the closing date shall be paid by the Purchaser.

X. Warranty Deed and Title Insurance. At the closing the Seller shall deliver to the Purchaser a warranty deed, a copy of which warranty deed is attached hereto and made a part hereof as Exhibit "D". The Seller has obtained, at its expense, a title commitment with an effective date of December 8, 2015 at 8:00 a.m. issued by Stewart Title Guaranty Company (File No. 407231). The Purchaser acknowledges receipt of a copy of the title commitment and agrees to take the Property subject to all exceptions and encumbrances contained in the title commitment.

XI. Time of Essence. Time is of the essence with respect to all dates and times set forth in this Agreement.

XII. Closing Costs. At closing, the Seller shall pay the costs of preparation of the warranty deed, title policy and any attorneys' fees incurred by the Seller. At closing, the Purchaser shall pay the costs of recording the warranty deed, attorneys' fees incurred on behalf of the Purchaser, and any Phase I Environmental Audit and other inspection costs initiated by the Purchaser. The Seller and the Purchaser shall each pay one-half (1/2) of the closing costs which are incurred by the title company to close this transaction.

XIII. Notices. All notices required or given under this Agreement shall be in writing and either delivered personally or mailed by regular mail addressed to the parties at their addresses specified above. Mailed notices shall be effective upon mailing.

XIV. Whole Agreement. This Agreement constitutes the entire agreement between the parties and shall be deemed to supersede and cancel any other agreement between the parties relating to the transactions herein contemplated. Each party acknowledges that no representation, inducement or condition not set forth herein has been made or relied upon by either party.

XV. Amendments. This Agreement may be amended or modified only by a document in writing executed by each of the parties named above.

XVI. Successors and Assigns. This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.

XVII. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

XVIII. Effective Date. This Agreement shall become effective as of the date upon which the last of the parties listed below shall have signed this Agreement.

XIX. Counterpart Signatures. This Agreement may be executed in one or more counterparts, including facsimile copies, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

WITNESSES:

SELLER:

**TAWAS AREA SCHOOLS,
a Michigan general powers school district**

By: _____
Jeffrey Hutchison
Its: Superintendent of Schools

Dated: _____, 2016

WITNESSES:

PURCHASER:

_____ ,

a _____

By: _____

Dated: _____, 2016

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EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

An approximately _____ square foot school building located on an approximately _____ (____) acre parcel of land commonly known as "Tawas Middle School" located at 825 2nd Street within the City of Tawas City, Iosco County, Michigan, and legally described as:

Parcel 1

Lots 1, 2, 3, 4, 15, 16, 17 and 18, Block 35 and Entire Block of Map of Tawas City, according to the plat hereof as recorded in Liber 2, page 1, Iosco County Records.

Parcel 2

Lot 3, Block 30 of Map of Tawas City, according to the plat thereof as recorded in Liber 2 of Plats, page 1, Iosco County Records.

Property Identification Nos.: 132-O11-035-001-00 (as to part of Parcel 1)
132-O11-040-000-00 (as to part of Parcel 1)
132-O11-030-003-00 (as to Parcel 2) (the "Property")

EXHIBIT "B"

PURCHASER'S STATEMENT

_____, a _____, whose address is _____, _____ (the "Purchaser") is purchasing from Tawas Area Schools, a Michigan general powers school district organized and operating under the Revised School Code, MCL 380.1, *et seq.*, as amended, whose address is 245 W. M-55, Tawas City, Michigan 48762-8210 (the "Seller") an approximately _____ square foot school building located on an approximately _____ (____) acre parcel of land commonly known as "Tawas Middle School" located at 825 2nd Street within the City of Tawas CCounty, Michigan, and legally described as follows:

[INSERT LEGAL DESCRIPTION]

Property Identification No. _____ (the "Property")

The Purchaser confirms, acknowledges and agrees that:

- (1) The Seller discloses and the Purchaser acknowledges that the building located on the Property is in the state of disrepair and contains asbestos and asbestos-containing products.
- (2) The Purchaser confirms that he has inspected the Property and agrees to take the Property "as is," with all personal property and debris and in its present condition.
- (3) The Purchaser confirms there are no other or additional written or oral understandings and that the Seller disclaims any and all warranties of any kind with regards to the Property.

PURCHASER:

_____,
a _____

Dated: _____

By: _____

EXHIBIT "C"

TRANSFER OF LIABILITY AND INDEMNIFICATION AGREEMENT

This Transfer of Liability and Indemnification Agreement (this "Agreement") is entered into this ____ day of _____, 201___. It is the intention and agreement of the Tawas Area Schools, a Michigan school district organized and operating under the Revised School Code, MCL 380.1, *et seq.*, as amended, whose address is 245 W. M-55, Tawas City, Michigan 48762-8210 (the "Seller") and _____, a _____, whose address is _____ (the "Purchaser"), that following conveyance of the property to the Purchaser, which legal description is attached hereto as Attachment "1" (the "Property"), the Seller shall have no liability or exposure with respect to any environmental remediation required on the Property or with respect to claims of third parties arising out of or based upon exposure, subsequent to such conveyance, to hazardous substances or other conditions known or unknown which may be in or about the Property, and as stated above, the Purchaser is accepting the Property in its "as is" condition with full liability therefor. The Seller and the Purchaser agree as follows:

(a) The Purchaser shall, at ____ sole expense, be responsible for and pay the cost of and indemnify the Seller from, including payment of Seller's actual attorneys' fees, any and all environmental assessments and remedial actions, if any, required pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended), Act 451 of the Michigan Public Acts of 1994, as amended, or any and all other applicable Federal, State or local statutes, laws, ordinances, codes, rules, regulations, and guidelines (including consent decrees and administrative orders) relating to public health and safety and the protection of the environment.

(b) The Purchaser shall, at ____ sole expense, be responsible for and pay the cost of investigation, repairs and modifications as are necessary to assure that the Property is safe and appropriate for its intended uses and that the Property complies with all applicable building codes or other applicable laws or regulations; and are not in violation of any federal, state or local laws, regulations or orders pertaining to the environment or use of the Property.

(c) The Purchaser further agrees that ____ shall, at _____ expense, defend against any claims asserted by third parties and indemnify the Seller, including payment of Seller's actual attorneys' fees from any exposure in and about the Property after the date of closing to any hazardous waste as defined in Section 11103(3) of Act 1994 PA 451, as amended, or as defined in any other applicable federal or state law, regulation, ruling, order, or as a result of any other

allegedly dangerous conditions known or unknown existing in and about the Property as of the date of conveyance to the Purchaser.

(d) The Purchaser shall not look to the Seller or its successors or assigns, for any reimbursement, apportionment, or contribution with respect to the liability assumed, and expenditures incurred by Purchaser pursuant to Paragraphs (a), (b) and (c) above, by reason of the existence of any hazardous waste (as above defined) or which may be assessed as response costs or investigative costs by any governmental agency, whether such right be pursuant to common law or by statute.

(e) The provisions of this Agreement shall, in the case any one or more of the same is deemed to be unenforceable, be severable, meaning that the unenforceability of any given provisions shall not affect the enforceability of the remaining provisions.

(f) This Agreement shall inure to the benefit and be binding upon the Purchaser, _____ successors and assigns, including any party to whom any of the Property is conveyed or leased in whole or in part, by the Purchaser.

(g) The provisions of Paragraphs (a) through (f), above, shall survive closing.

SELLER:

**TAWAS AREA SCHOOLS,
a Michigan general powers school district**

Dated: _____

By: _____

Jeffrey Hutchison

Its: Superintendent of Schools

Acknowledged before me in _____ County, Michigan, this ____ day of _____, 2016, by Jeffrey Hutchison, Superintendent of Schools, Tawas Area Schools, a Michigan general powers school district.

_____(signature)

_____(printed)

Notary Public, _____ County, Michigan

My Commission Expires: _____

Acting in the County of _____

PURCHASER:

_____,
a _____

Dated: _____

By: _____

Acknowledged before me in _____ County, Michigan, this ____ day of _____,
2016, by _____,
_____, a _____.

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

**PREPARED BY AND AFTER
RECORDING RETURN TO:**
Gordon W. VanWieren, Jr., Esq.
Thrun Law Firm, P.C.
P.O. Box 2575
East Lansing, Michigan 48826-2575

Attachment "1"

An approximately _____ square foot school building located on an approximately _____ (____) acre parcel of land commonly known as "Tawas Middle School" located at 825 2nd Street within the City of Tawas City, Iosco County, Michigan, and legally described as:

Parcel 1

Lots 1, 2, 3, 4, 15, 16, 17 and 18, Block 35 and Entire Block of Map of Tawas City, according to the plat hereof as recorded in Liber 2, page 1, Iosco County Records.

Parcel 2

Lot 3, Block 30 of Map of Tawas City, according to the plat thereof as recorded in Liber 2 of Plats, page 1, Iosco County Records.

Property Identification Nos.: 132-O11-035-001-00 (as to part of Parcel 1)
132-O11-040-000-00 (as to part of Parcel 1)
132-O11-030-003-00 (as to Parcel 2) (the "Property")

EXHIBIT "D"

WARRANTY DEED

Tawas Area Schools, a public school district, now known as Tawas Area Schools, a Michigan general powers school district organized and operating under the provisions of the Revised School Code, MCL 380.1, *et seq.*, as amended, whose address is 245 W M-55, Tawas City, Michigan 48762-8210 (the "Grantor") warrants to _____, a _____, whose address _____ (the "Grantee"), for the transfer by the Seller to the Purchaser of an approximately _____ square foot school building located on approximately _____ (_____) acres of land commonly known as "Tawas Middle School" located at 825 2nd Street within the City of Tawas City, Iosco County, Michigan, and legally described as follows:

Parcel 1

Lots 1, 2, 3, 4, 15, 16, 17 and 18, Block 35 and Entire Block of Map of Tawas City, according to the plat hereof as recorded in Liber 2, page 1, Iosco County Records.

Parcel 2

Lot 3, Block 30 of Map of Tawas City, according to the plat thereof as recorded in Liber 2 of Plats, page 1, Iosco County Records.

Property Identification Nos.: 132-O11-035-001-00 (as to part of Parcel 1)
132-O11-040-000-00 (as to part of Parcel 1)
132-O11-030-003-00 (as to Parcel 2) (the "Property")

for the consideration of _____ and 00/100 Dollars.

This conveyance is subject to:

- (a) building and zoning laws, ordinances and regulations;
- (b) recorded and existing building and use restrictions, or other restrictions relating to the use or improvement of the Property;

- (c) recorded and existing restrictions, if any;
- (d) recorded and existing utility or roadway easements and rights-of-way;
and
- (e) all other rights, restrictions, reservations, easements and other matters of record disclosed in the Commitment for Title Insurance issued Stewart Title Guaranty Company, File No. 407231, 1 AMENDED, dated December 8, 2015 at 8:00 a.m.

The Grantor grants to the Grantee the right to make all permitted divisions under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967.

The Property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act, MCL 286.471, *et seq.*, as amended.

This transaction is exempt from real estate transfer tax pursuant to MCL 207.505(h)(i) and MCL 207.526(h)(i).

TAWAS AREA SCHOOLS, a public school district, now known as Tawas Area Schools, a Michigan general powers school district

Dated: _____

By: _____

Jeffrey Hutchison

Its: Superintendent of Schools

Acknowledged by me in _____, County, Michigan, this ____ day of _____, 2016, by Jeffrey Hutchison, Superintendent of Schools, Tawas Area Schools, a public school district, now known as Tawas Area Schools, a Michigan general powers school district.

_____ (signature)

_____ (printed)

Notary Public, _____ County, Michigan

My Commission Expires: _____

Acting in the County of _____

When Recorded Return To:	Send Subsequent Tax Bills To:	Prepared By (Without Opinion):
Grantee	Grantee	Gordon W. VanWieren, Jr., Esq. Thrun Law Firm, P.C. P.O. Box 2575 East Lansing, MI 48826-2575