

Offers
Received

350 S. Fifth Ann Arbor



Outline of Offers

	Dennis Dahlmann	CA Ventures	Ron Hughes	Opus	Ron Mucha
Price	\$5,250,000.00	\$5,150,000.00	\$5,200,000.00	\$5,200,000.00	\$4,200,000.00
Cash or Other	Cash	Cash	Cash	Cash	Cash
Due Diligence Period	30 days max	30 days	180 days + (2) 60 day extensions	90 days + 180 days for permits	60 days + 180 days for permits
Close this Year?	Yes	Yes	No	No	No
Plan	Apartments, Office & Retail	Half Apartments, Half Hotel	Apartments, Office & Retail	Half Apartments, Half Hotel	Mixed Use Project - exact use TBD
Contingencies	No	No	No	Yes, contingent upon parking deal with the City and the City bringing all utilites to site (\$500,000+)	No
Qualified	Yes	Yes	Yes	Yes	Yes
Offer Type	Binding Sales Agreement	Binding Sales Agreement	Binding Sales Agreement	Letter of Intent	Letter of Intent

Dahlmann Offer

COMMERCIAL PURCHASE AGREEMENT

THIS COMMERCIAL PURCHASE AGREEMENT is made and entered into this 17th day of October, 2013, by and between The City of Ann Arbor, a Michigan municipal corporation ("Seller"), whose address is 301 E Huron St, Ann Arbor, Michigan, 48104, and Dennis Dahlmann, for an entity to be formed ("Purchaser"), whose address is 300 Thayer, Ann Arbor, MI, 48104, in the manner following:

1. PROPERTY DESCRIPTION. Purchaser offers and agrees to purchase the property located in the City of Ann Arbor, County of Washtenaw, Michigan, commonly known as 350 South Fifth Street, Ann Arbor, MI 48104, and further described as: legal description: S 6 FT LOT 2 & ALL LOTS 3 4 5 & 6 B3S R5E ORIGINAL PLAT OF ANN ARBOR, Tax ID #: 09-09-29-404-001; together with zero land division splits as provided under the Michigan Land Division Act as revised March 31, 1997 (the "Property"), provided, however, the description of the Property shall be subject to a survey as provided for in this Agreement.

2. PURCHASE PRICE. The purchase price for the Property shall be Five Million Two Hundred Fifty Thousand (\$5,250,000.00) Dollars.

3. TERMS OF PAYMENT: Cash. Purchaser shall pay the full purchase price, including any adjustments and/or prorations contained herein, to Seller at closing upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified herein.

4. EARNEST MONEY DEPOSIT. Within three (3) calendar days following the Effective Date of this Agreement, Purchaser shall deposit with Liberty Title Company, as the Title Insurance Company; which party shall be referred to as the "Escrow Agent", Purchaser's earnest money deposit in the amount of Two Hundred Fifty Thousand (\$250,000.00) Dollars, paid in cash or check representing immediately available funds (the "Deposit"). The Deposit shall be refunded to Purchaser in the event this Agreement is terminated under the terms and conditions provided for herein; or applied to the Purchase Price at Closing.

5. INSPECTION PERIOD / DUE DILIGENCE - none

6. SURVEY AND TITLE INSURANCE.

(a) **Survey:** Purchaser may, at its option, cause to be prepared an on-the-ground boundary survey of the Property (herein referred to as the "Survey"). The Metes and Bounds or other legal description of the Property resulting from the Survey, if and as accepted by Purchaser, shall upon such acceptance supersede and replace the description of the Property set forth in Section 1 hereof for all purposes hereunder and shall be the description of the Property used in the Warranty Deed or Land Contract and Owner Policy of Title Insurance to be furnished hereunder, to be paid for by Purchaser.

(b) **Title Insurance:** Within five (5) days of the Effective Date of this Agreement, Purchaser shall order a commitment for an Owner's ALTA Title Policy, without Standard Exceptions (the "Commitment"), from Liberty Title Company (the "Title Company"), and shall provide a copy of the same to Seller upon receipt. Purchaser shall notify Seller in writing within fifteen (15) days of receipt of any concerns that Purchaser may have with such Commitment. Notwithstanding the same, Purchaser shall be under no obligation to purchase the Property from Seller unless the Title Company shall deliver to Purchaser at Closing an Owner's ALTA Policy of Title Insurance, which shall identify the Property and easements appurtenant thereto by the legal description(s) set forth on the Survey. To satisfy the requirements hereof, the Commitment shall be accompanied by legible copies of all exceptions to title referred to therein and shall be deemed to include the same. The Title Insurance Policy to be issued pursuant to the Commitment shall contain endorsements stating: (i) that the Property abuts the public street(s) immediately adjacent thereto and has direct and valid full and unrestricted access thereto at the locations designated on the Survey provided by Purchaser and (ii) such other endorsements as Purchaser may reasonably require (the "Endorsements"), provided, however, in the event any such Endorsements shall not be included in the Title Company's standard fee for the Commitment and title insurance policy, then Purchaser shall be responsible for the additional fees in connection with the issuance of such Endorsements. Seller hereby agrees to provide to the Title Company any abstracts of title covering the Property and/or any other form of title evidence it may have obtained, including any former owner's title insurance policy. Purchaser's decision as to whether satisfactory title insurance can be obtained shall be final and shall not be subject to question by Seller. Seller shall cooperate fully with Purchaser in helping Purchaser to eliminate such exceptions from Purchaser's Commitment as Purchaser may desire eliminated, and further, Seller shall cooperate fully with Purchaser to satisfy all requirements of Closing outlined in Purchaser's Commitment.

(c) **Objections to Title and Survey.** In the event the Commitment reflects that title to the Property is not vested in Seller or if any of the building and/or use restrictions, easements, or covenants of record (the "Permitted Exceptions") would, in Purchaser's reasonable judgment, interfere with Purchaser's intended use of the Property, or if the Survey

reflects that title to the Property is not in the condition as described in Section 8 below, or if Purchaser has any other objection to title, and Purchaser so notifies Seller in writing of such objection(s) within seven (7) days of Purchaser's receipt of the Survey and the Commitment, then Seller shall have fifteen (15) days from the date Seller is notified in writing of the particular defect(s) claimed by Purchaser, to either: (i) remedy the title defects described in Purchaser's written notification to Seller and obtain and deliver to Purchaser a revised Commitment and/or Survey which reflects that all such defects have been remedied; or (ii) notify the Escrow Agent to promptly refund Purchaser's Deposit in full termination of this Agreement.

7. ENVIRONMENTAL WARRANTY, DISCLOSURES AND INDEMNIFICATION.

- (a) **Environmental.** To the best of Seller's knowledge, there are no areas of the Property where hazardous substances or hazardous wastes, as such terms are defined by applicable Federal, State and local statutes and regulations, have been disposed of, released, or found. No claim has been made against Seller with regard to hazardous substances or wastes as set forth herein and Seller is not aware that any such claim is current or ever has been threatened. Seller shall inform Purchaser, to the best of Seller's knowledge, of any hazardous materials or release of any such materials into the environment, and of the existence of any underground structures or utilities which are, or may be present on the Property.
- (b) **Due Diligence.** Seller shall deliver to Purchaser any documentation (for example; any title evidence, surveys, reports, studies, test results, engineering drawings, permits or tank registrations) in Seller's possession or control which relates to the Property, within ten (10) days of the Effective Date, Seller understands that Purchaser requires this information and the information in 7 (a) above to properly evaluate the Property, avoid damaging underground structures and utilities and avoid causing, contributing to or exacerbating the release of a hazardous substance in the course of its investigations. Purchaser shall have the right to conduct a Phase I environmental investigation during the Inspection Period. If further activities are required, Purchaser and Seller shall determine the extent of said activities. Purchaser agrees to pay all of the costs and expenses associated with its investigation and testing and to repair and restore any damage to the Property caused by Purchaser's investigations or testing, at Purchaser's sole expense. Purchaser shall indemnify and hold Seller harmless from all costs, expenses and liabilities arising out of Purchaser's inspection of the Property, including that of Purchaser's employees, agents, consultants, or contractors performing said inspection.

8. CLOSING AND CLOSING ADJUSTMENTS. Closing shall take place at the offices of Liberty Title Company and Seller shall convey the Property to Purchaser in accordance with the terms hereof on December 1, 2013, unless this Agreement is terminated as otherwise herein provided (such date for Closing and performance being hereinafter sometimes referred to as the "Closing" or "Closing Date").

At Closing, Seller shall deliver to Purchaser a Warranty Deed, subject to the Permitted Exceptions, conveying the Property along with the right to make all permitted land divisions of the Property, under the Michigan Land Division Act, MCL 560.101 *et seq* to Purchaser, to be prepared at Seller's cost. At Closing Seller agrees that it will convey the Property to Purchaser by Warranty Deed containing covenants of title satisfactory to Purchaser, which covenants of title shall state that Seller is seized of the Property in fee simple, and that Seller has bargained, sold and conveyed unto Purchaser and its successors and/or assigns in title the Property in fee simple, and that Seller will warrant and defend title against the claims of all persons or entities. The Warranty Deed shall provide that title to the Property conveyed at Closing shall be marketable and free and clear of any and all liens, mortgages, deeds of trust, security interests, covenants, conditions, restrictions, non-permitted easements, non-permitted rights-of-way, licenses, encroachments, judgments or encumbrances of any kind except: (i) the lien of real estate taxes not yet due and payable; and (ii) any Permitted Exceptions. Should any liens or encumbrances be recorded against the property, Seller shall pay and/or satisfy any such encumbrances simultaneously with the closing and transfer the property in the condition required above. In addition, at Closing Seller shall have the responsibility of paying for the title insurance and all state or county transfer taxes and documentary stamps, if any, occasioned by the conveyance of the Property. The current real estate taxes (i.e. the most recent summer and winter tax bills issued) and assessments, if any, on the Property shall be prorated to the date of the Closing on a "due date" basis. All other assessments, including, but not limited to any special assessments which have become a lien upon the land shall be paid in full by Seller. Seller shall pay all broker's fees or real estate sales commissions, or any similar fees occasioned by the sale of the Property, and Purchaser shall have no obligation or responsibility toward the payment of any such costs. Seller agrees to promptly forward to Purchaser any property tax statements for the Property received by Seller after Closing and if Seller fails to do so, Seller shall be liable for any penalties Purchaser has to pay because of Seller's failure.

9. SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS. As an inducement to Purchaser to enter into this Agreement and to purchase the Property, Seller warrants, represents and covenants to Purchaser, as follows:

- (a) **Authority.** Seller: (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of the State of Michigan or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Purchaser in accordance with the terms and provisions of this Agreement.

- (b) **Title and Characteristics of Property.** Seller, as of the date of execution of this Agreement, owns the Property in fee simple and has marketable and good title of public record and in fact and the Property at Closing shall have the title status as described in Section 6 of this Agreement.
- (c) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Seller on the Closing Date, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Seller is a party, or any judicial order or judgment of any nature by which Seller is bound. At Closing all necessary and appropriate action will have been taken by Seller authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Seller of the documents and instruments to be executed by Seller at Closing and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.
- (d) **Condemnation.** Seller has received no notice of, nor is Seller aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.
- (e) **Litigation.** There is no action, suit or proceeding pending or, to Seller's knowledge, threatened by or against or affecting Seller or the Property which does or will involve or affect the Property or title thereto. Seller will defend, indemnify and otherwise hold Purchaser harmless from any and all claims of any person due to, arising out of or relating to the Property, including any and all costs, expenses, and attorneys' fees which Purchaser may incur as a result of Seller's breach of its warranty hereunder. Seller will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Purchaser written notice thereof.
- (f) **Assessments and Taxes.** No assessments have been made against any portion of the Property which are unpaid (except ad valorem taxes for the current year), whether or not they have become liens, and Seller shall notify Purchaser of any such assessments which are brought to Seller's attention after the execution of this Agreement. Seller will pay or cause to be paid promptly all city, state and county ad valorem taxes and similar taxes and assessments, all sewer and water charges and all other governmental charges levied or imposed upon or assessed against the Property and due on or prior to the Closing Date.
- (g) **Boundaries.** (i) There is no dispute involving or concerning the location of the lines and corners of the Property; (ii) to Seller's knowledge there are no encroachments on the Property and no portion of the Property is located within any "Special Flood Hazard Area" designated by the United States Department of Housing and Urban Development and/or Federal Emergency Management Agency, or in any area similarly designated by any agency or other governmental authority; and (iii) no portion of the Property is located within a watershed area imposing restrictions upon use of the Property or any part thereof.
- (h) **No Violations.** Seller has received no notice there are any violations of state or federal laws, municipal, or county ordinances, or other legal requirements with respect to the Property, including those violations referenced in Paragraph 7 above. Seller has received no notice (oral or written) that any municipality or governmental or quasi-governmental authority has determined that there are such violations. In the event Seller receives notice of any such violations affecting the Property prior to the Closing, Seller shall promptly notify Purchaser thereof, and shall promptly and diligently defend any prosecution thereof and take any and all necessary actions to eliminate said violations.
- (i) **Foreign Ownership.** Seller is not a "foreign person" as that term is defined in the U. S. Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto, and Purchaser has no obligation under Section 1445 of the U. S. Internal Revenue Code of 1986, as amended, to withhold and pay over to the U. S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the regulations issued under said Section 1445).
- (j) **Prior Options.** No prior options or rights of first refusal have been granted by Seller to any third parties to purchase or lease any interest in the Property, or any part thereof, which are effective as of the execution date.
- (k) **Mechanics and Materialmen.** On the Closing Date, Seller will not be indebted to any contractor, laborer, mechanic, materialmen, architect, or engineer for work, labor or services performed or rendered, or for materials supplied or furnished, in connection with the Property for which any person could claim a lien against the Property and shall not have done any work on the Property within one hundred twenty (120) days prior to the Closing Date.
- (l) **Estoppel Certificates.** Five (5) days prior to closing, Seller to provide Buyers with Estoppel Certificates from all Tenants in the Property.

10. PURCHASER'S WARRANTIES, REPRESENTATIONS AND COVENANTS

- (a) **Authority Purchaser:** (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of the State of Michigan or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this Agreement.
- (b) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser on the Closing Date, and the performance by Purchaser of Purchaser's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Purchaser is a party, or any judicial order or judgment of any nature by which Purchaser is bound. At Closing all necessary and appropriate action will have been taken by Purchaser authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Purchaser of the documents and instruments to be executed by Purchaser at Closing and the performance by Purchaser of Purchaser's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.

11. DAMAGE TO PROPERTY. If between the Effective Date of this Agreement and the Closing Date, all or any part of the Property is damaged by fire or natural elements or other causes beyond the Seller's control, which cannot be repaired prior to the Closing Date, or any part of the Property is taken pursuant to any power of eminent domain, Seller shall immediately notify Purchaser of such occurrence, and Purchaser may terminate this Agreement with written notice to Seller within fifteen (15) days after the date of damage or taking. If Purchaser does not elect to terminate this Agreement, there shall be no reduction of the purchase price and Seller shall assign to Purchaser whatever rights Seller may have with respect to any insurance proceeds or eminent domain award at Closing.

12. SELLER'S CLOSING OBLIGATIONS. At Closing, Seller shall deliver the following to Purchaser:

- (a) The Warranty Deed, required by Section 3 of this Agreement.
- (b) A written assignment by Seller of Seller's interest in all leases and a transfer to Purchaser of all security deposits, accompanied by the original or a true copy of each lease.
- (c) An assignment of all Seller's rights under any service contracts described herein, which are assignable by their terms and which Purchaser wishes to assume, together with an original or true copy of each service assigned.
- (d) A notice to any tenants advising the tenants of the sale and directing that future payments be made to Purchaser.
- (e) Any other documents required by this Agreement to be delivered by Seller.
- (f) An accounting of operating expenses including, but not limited to: common area maintenance statements, property tax statements, insurance binder and/or policy, a schedule of rents collected in advance or arrears, and an accurate allocation between the parties of the same pursuant to the terms herein.
- (g) Other: _____.

13. PURCHASER'S CLOSING OBLIGATIONS. At closing, Purchaser shall deliver to Seller the following:

- (a) The cash portion of the purchase price specified in Section 3 above shall be paid by cashier's check or other immediately available funds, as adjusted by the apportionments and assignments in accordance with this Agreement.
- (b) A written assumption by Purchaser of the obligations of Seller under the leases arising after closing, including an acknowledgement of the receipt of all security deposits.
- (c) Any other documents required by this Agreement to be delivery by Purchaser.
- (d) Other: _____.

14. SECTION 1031 TAX-DEFERRED EXCHANGES. Upon either party's request, the other party shall cooperate and reasonably assist the requesting party in structuring the purchase and sale contemplated by this Agreement as part of a tax deferred, like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended; provided, however, that in connection therewith, the non-requesting party shall not be required to: (a) incur any additional costs or expenses; (b) take

legal title to additional real property (i.e., the requesting parties' "replacement property" or "relinquished property"); or (c) agree to delay the Closing. However, should both parties wish to complete a tax-deferred exchange, the parties will each incur their own additional expenses related to their exchange and shall split any common costs which will benefit both parties by such a division.

15. NOTICES. Unless otherwise stated in this Agreement, a notice required or permitted by this Agreement shall be sufficient if in writing and either delivered personally or by certified or express mail addressed to the parties at their addresses specified in the preamble of this Agreement, and any notices given by mail shall be deemed to have been given as of the date of the postmark. Copies of all notices shall be made as follows:

If to Purchaser:

Name:	Dennis Dahlmann
Address:	300 Thayer
Address:	Ann Arbor, MI 48104
Telephone:	(734) 761-7600
Facsimile:	(734) 761-9178
Email:	N/A

With copy to:

Name:	James H. Chaconas
Company:	Colliers International
Address:	400 East Washington
Address:	Ann Arbor, MI 48104
Telephone:	(734) 769-5005
Facsimile:	(734) 222-9045
Email:	jchaconas@ccim.net

If to Seller :

Name:	Steve Powers, City Administrator
Company:	City of Ann Arbor
Address:	301 E. Huron
Address:	Ann Arbor, MI 48107-8647
Telephone:	(734) 794-6110
Email:	SPowers@a2gov.org

With copy to:

Name:	Stephen K Postema, City Attorney
Company:	City of Ann Arbor
Address:	PO Box 8647
Address:	Ann Arbor, MI 48107-8647
Telephone:	(734) 794-6189
Facsimile:	(734) 994-4954
Email:	spostema@a2gov.org

16. ADDITIONAL ACTS. Purchaser and Seller agree to execute and deliver such additional documents and perform such additional acts as may become necessary to effectuate the transfers contemplated by this Agreement.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the sale of the Property. All contemporaneous or prior negotiations have been merged into this Agreement. This Agreement may be modified or amended only by written instrument signed by the parties of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its conflict of laws principles. For purposes of this Agreement, the phrase "Effective Date" shall be the last date upon which this Agreement becomes fully executed, including any counter proposals or amendments counter-signed by the opposing party.

18. ADVICE OF COUNSEL. All parties involved in a real estate transaction should seek the advice of legal counsel before entering into any agreement; to determine the marketability of title; understand possible tax consequences; to ascertain that the terms of the sale are adhered to before the transaction is closed; and to obtain advice with respect to all notices related to this Agreement. Purchaser and Seller acknowledge the importance for advice to counsel and acknowledge that Broker is not an attorney and do not provide legal advice and shall not be responsible for any loss or damage resulting from the preparation of this Agreement or any addenda thereto.

Seller's Attorney Approval: Approval of Contract Language by Seller's attorney within five (5) business days from the Effective Date of this Agreement.

19. BROKERAGE FEE. Seller agrees to pay the real estate broker(s) involved in this transaction a brokerage fee as specified in a commission or listing agreement. The parties acknowledge that other than the parties' real estate agents disclosed herein (James Chaconas / Colliers International), no other real estate brokers, salespersons, or agents are involved in this transaction and the parties hereby indemnify and hold each other harmless from any and all such claims for brokerage fees.

20. DEFAULT.

(a) **Seller's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Seller's default or failure to perform hereunder, Purchaser may, at Purchaser's option and as its sole remedy, elect to either: (i) specifically enforce the terms hereof; or (ii) demand and be entitled to an immediate refund of the Deposit, in which case this Agreement shall terminate in full.

(b) **Purchaser's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Purchaser's default hereunder, Seller shall be entitled, as its sole and exclusive remedy hereunder, to receipt of the Deposit amount as full and complete liquidated damages for such default of Purchaser, the parties hereby acknowledge that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Purchaser's default of this Agreement or any duty arising in connection or relating herewith. Seller's entitlement to and receipt of the Deposit is intended not as a penalty, but as full and complete liquidated damages. The right to retain such sums as full liquidated damages is Seller's sole and exclusive remedy in the event of default or failure to perform hereunder by Purchaser, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue Purchaser for any claims, injury or loss arising from or in connection with this Agreement, including without limitation: (i) for specific performance of this Agreement; or (ii) to recover any damages in excess of such liquidated damages.

21. INCENTIVES. Purchaser shall have the exclusive right to seek and obtain any federal, state or other governmental approval or quasi-governmental environmental or tax incentives, inducements, allowances or similar benefits (by way of example, and not in limitation of the foregoing, any Brownfield classification or any Brownfield tax and/or grant reimbursements) with respect to the Property, and Purchaser's right to do so shall take precedence over any such right of Seller with respect to the Property in the event such incentives, inducements, allowances or similar benefits may only be sought by one party. Seller shall reasonably cooperate and provide all necessary information and approvals to facilitate the same.

22. WAIVER. The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either party of any of its rights hereunder, nor shall it be deemed to be a waiver of subsequent or continuing breaches of that provision, unless such waiver be expressed in a writing signed by the party to be bound.

23. DATE FOR PERFORMANCE. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next following business day.

24. FURTHER ASSURANCES. The parties agree that they will each take such steps and execute such documents as may be reasonably required by the other party or parties to carry out the intent and purposes of this Agreement.

25. SEVERABILITY. In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

26. CUMULATIVE REMEDIES. The rights, privileges and remedies granted by Seller to Purchaser hereunder shall be deemed to be cumulative and may be exercised by Purchaser at its discretion. In the event of any conflict or apparent conflict between any such rights, privileges or remedies, Seller expressly agrees that Purchaser shall have the right to choose to enforce any or all such rights, privileges or remedies.

27. AUTHORITY. The undersigned officers of Seller and Purchaser, if an entity, hereby represent, covenant and warrant that all actions necessary by their respective Shareholders, Members, Partners, Boards of Directors, or other corporate entity authority will have been obtained and that they will have been specifically authorized to enter into this Agreement and that no additional action will be necessary by them in order to make this Agreement legally binding upon them in all respects. Purchaser and Seller covenant to provide written evidence of compliance with this Section (27) prior to or on the Closing Date.

28. SUCCESSORS AND ASSIGNS. The designation Seller and Purchaser as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

29. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties and shall become a binding and enforceable Agreement among the parties hereto upon the full and complete execution and unconditional delivery of this Agreement by all parties hereto. No prior verbal or written Agreement shall survive the execution of this Agreement. In the event of an alteration of this Agreement, the alteration shall be in writing and shall be signed by all the parties in order for the same to be binding upon the parties.

30. RELATIONSHIP OF THE PARTIES. Nothing contained herein shall be construed or interpreted as creating a partnership or joint venture between the parties. It is understood that the relationship is of arms length and shall at all times be and remain that of Purchaser and Seller.

31. RECORDING. This Agreement shall not be recorded by either party or any of their representatives.

32. CONFIDENTIALITY. Subject to all other terms of this Agreement, each party agrees to maintain this Agreement and the information in this Agreement as confidential, and each will not disclose such information to any other person without the prior written consent of the other party. However, a party may disclose such confidential information to its legal counsel, to such party's real estate broker, salesperson, or agent, to other professional advisors or agents of the party, and as required by law or legal process.


33. COUNTERPARTS. This Agreement may be executed in counterpart originals, and facsimile or electronic signatures shall be considered as originals, each of which when duly executed and delivered shall be deemed an original and all of which when taken together shall constitute one instrument.


Purchaser's Acknowledgement of Offer:

By signing below, Purchaser acknowledges having read and received a copy of this Purchase Agreement.

For Purchaser:

Witnesses:


Dennis A. Dahlmann


DeWayne Grann

Seller's Acceptance:

Seller accepts this Agreement on this _____ day of _____ 2013, with the following conditions: _____ or without qualification.

By signing below, Seller acknowledges having read and received a copy of this Agreement. If this Agreement is signed by Seller without any modification, the acceptance date stated herein shall be the Effective Date of the Agreement.

If additional conditions are stipulated herein, Seller gives Purchaser until the _____ of _____ 2013, to provide its written acceptance of the counter conditions stated herein.

For Seller:

Witnesses:

By: _____

Its: _____

By: _____

Its: _____

Purchaser's Acknowledgment of Seller's Acceptance:

Purchaser acknowledges receipt of Seller's acceptance of Purchaser's offer. If the acceptance was subject to changes from Purchaser's offer, Purchaser agrees to accept those changes, with all other terms and conditions remaining unchanged. If this Agreement is signed by Purchaser without any modification, then the date stated as Purchase's Receipt of Acceptance shall then become the Effective Date of this Agreement.

Seller has accepted this Agreement on this ____ day of _____ 2013.

For Purchaser:

Witnesses:

By: _____

Its: _____

By: _____

Its: _____

DAHLMANN APARTMENTS LTD.

300 S. THAYER, ANN ARBOR, MICHIGAN 48104 (734) 761-7600 FAX (734) 761-9178

To: Steve Powers, City Administrator

From: Dennis Dahlmann

Date: October 30, 2013

Subject: Your request for a description of Dahlmann Properties' Development Proposal for the Y Lot

Dahlmann Properties, a real estate development and restoration firm headquartered in Ann Arbor, employs over 300 people and has a history of retaining ownership and management of its projects. Enclosed are examples of Dahlmann Properties' work in restoring the Key Bank Building, which it has owned for over thirteen years, and operating the Campus Inn, which it has owned for over twenty-three years.

Dahlmann Properties has purchased and developed over three hundred million dollars of retail, restaurant, office, apartment and hotel properties in southeast Michigan, southwest Florida, and Madison, Wisconsin.

Dahlmann Properties plans to develop a mixed-use project on the Y lot, with destination retail/restaurant space on the first floor, large-plate office space on the remaining lower floors, and residential apartments on the upper floors. The success and high occupancy of the Ann Arbor City Apartments illustrate the demand for additional downtown non-student housing.

One of the keys to Dahlmann's near 100% occupancy at all of its apartment developments is the fact that it did not build to the maximum density allowed. Consequently, density on the Y lot will be significantly less than the maximum allowed by D-1 zoning. There will not be a massive big box building covering the site.

Instead, there will be substantial landscaped open space designed by nationally known landscape architect Smith Group JJR of Ann Arbor and maintained by the developer. Smith Group JJR designed the fountain and gardens in front of the Campus Inn, which had been a featureless concrete slab when Dahlmann Properties purchased the hotel that had previously been in receivership. Smith Group JJR also designed the central park that Dahlmann Properties proposed for the Library Lot in November 2009. Elements of that plan will be incorporated in this project, including, among other things, a grand fountain.

The project will not be designed for students and will not include any 4, 5 or 6 bedroom apartments.

Dahlmann Properties intends to submit its site plan to the Planning Commission within six to twelve months of closing the purchase and will adopt and be bound by the recommendations of the City's Design Review Board. As recommended by the Planning Commission, access to vehicular parking will be via the City's Fifth Avenue parking structure. Dahlmann Properties is not making the provision of parking spaces by the City a condition of its proposed purchase of the Y lot.

Dahlmann Properties plans to work with a nationally known architectural firm in conjunction with a highly regarded Ann Arbor architect to create a superbly designed project, including determining the appropriate height and square footage of the building to present to the Planning Commission for its review.

cc: Jim Chaconas of Colliers International, Mayor John Hieftje, Members of City Council

"It's the very best"

—Frank Petrock, Ph.D.



"We have conducted executive education programs in the finest hotels worldwide, in cities as diverse as London, Hong Kong, Madrid, Munich and Singapore.

In the United States, we conduct our programs five times a year at The Dahlmann Campus Inn, which has proven itself to be an excellent facility and operation every time.

It is among the select few hotels in the world that we consider to be the very best."

Frank Petrock, Ph.D., President
The General Systems Consulting Group



Revived. Refined. Remarkable.

615 East Huron at State Street on the U of M Campus • campusinn.com • (734) 769-2200 • (800) 666-8693



KeyBank Building - Before



KeyBank Building - After

Dahlmann Properties

DAHLMANN APARTMENTS LTD.

300 S. THAYER, ANN ARBOR, MICHIGAN 48104 (734) 761-7600 FAX (734) 761-9178

RESUMÉ

SEPTEMBER 26, 2013

Dahlmann Apartments Ltd. was incorporated in Michigan in 1971.

The firm currently employs over three hundred people.

The officers of Dahlmann Apartments Ltd. are:

Dennis A. Dahlmann	President
Steven Zarnowitz	Corporate Counsel
Susan Grant Milne	Senior Vice-President
Ben Dahlmann	Vice-President
Andrew Dahlmann	Vice-President
Robin Stuart	Vice-President
Daniel Sonntag	Vice-President
Kris Gail	Controller

Dahlmann Apartments Ltd. has been actively involved in the development, construction, renovation, ownership and management of residential and commercial real estate in southeast Michigan and southwest Florida for the past forty-two years. Dahlmann Apartments Ltd. has developed and owned commercial and residential projects that have a total value over three hundred million dollars. A partial list of the properties that Dahlmann Apartments Ltd. currently owns and operates includes:

HOTELS

The Bell Tower Hotel
300 South Thayer Street
Ann Arbor, Michigan
66 guest rooms and suites
Mercy's Restaurant

The Dahlmann Campus Inn
615 East Huron Street
Ann Arbor, Michigan
208 guest rooms and suites
Victors Restaurant and Bar
12,000 sq. ft. of conference & banquet space

The Regent Hotel & Suites
2455 Carpenter Road at Washtenaw
Ann Arbor, Michigan
125 guest rooms and suites
5,000 sq. ft. of conference & banquet space

The Dahlmann Campus Inn
601 Langdon Street
Madison, Wisconsin
74 guest rooms and suites
Chancellor's Club

OFFICE BUILDINGS

KeyBank Office Building
100-108 South Main Street
Ann Arbor, Michigan
Seven story, 50,200 square foot office building
at the southwest corner of Huron & Main Streets

City Center Office Building
220 East Huron Street
Ann Arbor, Michigan
Seven story, 90,500 square foot office building
at the southwest corner of Fifth & Huron Streets

Hobbs and Black Office Building
100-110 North State Street
Ann Arbor, Michigan
Historic 14,100 square foot office building
at the northeast corner of Huron & State Streets

"301" Office Building
301 East Liberty Street
Ann Arbor, Michigan
Seven Story, 94,900 square foot office building
at the northeast corner of Fifth & Liberty Streets

Harris Hall
617 East Huron Street
Ann Arbor, Michigan
Historic 13,000 square foot office building
at the northwest corner of Huron & State Streets

SHOPPING CENTERS

Periwinkle Place
2075 Periwinkle Way
Sanibel, Florida
Sanibel's Destination Shopping Center

Heart of the Island
1600 Periwinkle Way
Sanibel, Florida

APARTMENT BUILDINGS

The Oaks
2500 West Washington Street
Jackson, Michigan
198 apartments and townhouses

Kensington Place
725 West Kilgore Street
Kalamazoo, Michigan
108 apartments

South Glen
19400 South Glen Boulevard
Trenton, Michigan
159 apartments and townhouses

Westwood Apartments (Sold 01-01-13)
1900 West Liberty Street
Ann Arbor, Michigan
120 apartments

CA Ventures Offer

REAL ESTATE SALE AGREEMENT

by and between

City of Ann Arbor, Michigan,

as the Seller

and

Clark Street Holdings, LLC, its assignee or nominee,

as the Purchaser

October __, 2013

REAL ESTATE SALE AGREEMENT

THIS REAL ESTATE SALE AGREEMENT (this “**Agreement**”) is made and entered into as of October __, 2013 (“**Effective Date**”) by and between the City of Ann Arbor, Michigan (the “**Seller**”) and Clark Street Holdings, LLC, its successors and assigns (the “**Purchaser**”).

PRELIMINARY STATEMENTS

A. The Seller is the owner of the real estate and related assets hereinafter described;
and

B. The Seller desires to sell, and the Purchaser desires to buy, the real estate and related assets hereinafter described, at the price and on the terms and conditions hereafter set forth.

In consideration of the recitals, the mutual covenants hereafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, it is agreed by and between the parties as follows:

1. **Premises.**

The real estate which is the subject of this Agreement is legally described on **Exhibit A** attached hereto and is located at 350 S. Fifth Avenue, Ann Arbor, Michigan, together with all rights, benefits, privileges, easements and other appurtenances to such land and, all of Seller’s rights in and to strips and gores and any land lying in the bed of any public right of way adjacent to such land and any unpaid award for damage by reason of any condemnation proceedings or change of grade of any highway, street, road or avenue (collectively, the “**Premises**”).

2. **Service Contracts and Leases.**

(a) The “**Service Contracts**” referred to herein shall consist of the service contracts (the “**Service Contracts**”) affecting the Premises.

(b) The “**Leases**” referred to herein shall consist of the leases, licenses, occupancy or use, and rental agreements between Seller, as landlord, licensor, or grantor, and tenants or other occupants or users of the Premises (the “**Leases**”) affecting the Premises.

3. **Sale/Conveyance and Assignment.**

The Seller agrees to sell, convey and assign to the Purchaser, and the Purchaser agrees to buy from the Seller, at the price and upon the other terms and conditions hereafter the Premises (the “**Property**”).

4. **Transfer of Title.**

Title to the Premises shall be conveyed to the Purchaser by a special warranty deed (the “**Deed**”) executed by the Seller, in the form attached hereto as **Exhibit C.**

5. Purchase Price; Earnest Money.

The purchase price for the Property shall be Five Million One Hundred Fifty Thousand and No/100 Dollars (\$5,150,000.00) (the “Purchase Price”) payable by the Purchaser to the Seller as follows:

(a) Within five (5) business days after the Effective Date of this Agreement, the Purchaser shall deposit into a strict joint order escrow trust (the “Escrow”) established with First American Title Insurance Company (the “Title Insurer”) as earnest money hereunder, the sum of One Hundred and No/100 Dollars (\$100,000.00) (the “Earnest Money”). If requested by Purchaser, the Earnest Money shall be invested through Closing in United States treasury obligations or such other interest bearing accounts or securities but only as are directed and approved by the Purchaser in writing and any interest earned on the Earnest Money shall be administered, paid or credited (as the case may be) in the same manner as the Earnest Money and, when credited to the escrow account shall constitute additional Earnest Money. At the closing of the transactions contemplated by this Agreement (the “Closing”), which shall occur on the Closing Date, the Purchaser shall receive a credit against the Purchase Price for the Earnest Money.

(b) The Purchase Price, less a credit for the Earnest Money, and plus or minus prorations and adjustments as set forth in Section 17 hereof, shall be paid by the Purchaser to the Seller by wire transfer of immediately available federal funds on the Closing Date (hereinafter defined).

6. Representations and Covenants.

(a) The Seller’s Representations and Warranties. As a material inducement to the Purchaser to execute this Agreement and consummate this transaction, the Seller represents and warrants to the Purchaser as of the date hereof and continuing through and including the Closing Date as follows:

(1) Organization and Authority. The Seller has been duly organized and is validly existing as a municipality under the laws of the State of Michigan. The Seller has the full right and authority to enter into this Agreement, consummate or cause to be consummated the sale and make or cause to be made transfers and assignments contemplated herein and has obtained all consents (if any) required therefor. The persons signing this Agreement on behalf of the Seller are authorized to do so. This Agreement and all of the documents to be delivered by the Seller at the Closing have been (or will be) authorized and properly executed and will constitute the valid and binding obligations of the Seller, enforceable against the Seller in accordance with their terms.

(2) Conflicts. To Seller’s Knowledge, there is no agreement to which the Seller is a party or binding on the Seller or the Property, which is in conflict with this Agreement or which would limit or restrict the timely performance by the Seller of its obligations pursuant to this Agreement.

(3) Documents and Records. The Seller has provided (or upon the execution hereof will concurrently provide) to the Purchaser true, correct and complete

copies of the items scheduled in Schedule 6(a)(3) attached hereto (all of the foregoing collectively the “**Property Information**”).

(4) Litigation. There is no action, suit or proceeding pending or, to the Seller’s Knowledge, threatened against the Seller related to the Property which (i) if adversely determined, would materially affect the Property, or (ii) which challenges or impairs the Seller’s ability to execute, deliver or perform this Agreement or consummate the transaction contemplated hereby.

(5) Leases. Exhibit B sets forth all of the Leases presently outstanding with respect to the Property.

(6) Service Contracts. Exhibit B sets forth all of the Service Contracts presently outstanding with respect to the Property.

(7) Notice of Violations. The Seller has received no written notice that either the Property or the use thereof violates any laws, rules and regulations of any federal, state, city or county government or any agency, body, or subdivision thereof having any jurisdiction over the Property that have not been resolved to the satisfaction of the issuer of the notice.

(8) Withholding Obligation. The Seller is not a “foreign person” within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

(9) Condemnation. There are no pending or, to the Seller’s Knowledge, threatened condemnation or similar proceedings affecting the Property or any part thereof.

(10) Insurance Notices. Seller has not received any uncured notices from any insurance company which has issued a policy with respect to any portion of the Property, or by any board of fire underwriters, or from any governmental authority, of zoning, building, fire or health code violations in respect to the Property.

(11) Environmental. Seller has no actual knowledge of any violation of Environmental Laws (as defined below) related to the Property or the presence or release of Hazardous Materials (as defined below) on or from the Property. Seller has not manufactured, introduced, released or discharged from, on, under or adjacent to the Property any Hazardous Materials or any toxic wastes, substances or materials (including, without limitation, asbestos), and Seller has not used the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials, in violation of any Environmental Laws. The term “**Environmental Laws**” includes without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act and other federal laws governing the environment as in effect on the date of this Agreement together with their implementing regulations and guidelines as of the date of this Agreement, and all state, county and other local laws, regulations and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials.

(12) ERISA. Seller is not (i) an “employee benefit plan” (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to the provisions of Title I of ERISA, (ii) a “plan” that is subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code of 1986 (the “Code”) or (iii) an entity whose assets are treated as “plan assets” under ERISA by reason of an employee benefit plan or plan’s investment in such entity.

(13) OFAC. Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the “Order”) and other similar requirements contained in the rules and regulations of the office of Foreign Assets Control, Department of the Treasury (“OFAC”) and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the “Orders”). Further, Seller covenants and agrees to make its policies, procedures and practices regarding compliance with the Orders, if any, available to Purchaser for its review and inspection during normal business hours and upon reasonably prior notice.

(i) Neither Seller nor its agents transact or facilitate business with any individual, entity or any beneficial owner of any entity:

(A) identified on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the “Lists”);

(B) is owned or controlled by, nor acts for or on behalf of or for the benefit of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

(ii) Seller hereby covenants and agrees that if Seller obtains knowledge that any of its agents becomes identified on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Seller shall immediately notify Purchaser in writing, and in such event, Purchaser shall have the right to terminate this Agreement without penalty or liability to Seller immediately upon delivery of written notice thereof to Seller. In such event the Earnest Money shall promptly be returned to Purchaser, and neither party shall have any further liability or obligation to the other under this Agreement, except for the indemnity provisions set forth in Section 22(p) of this Agreement and any other provision of this Agreement that is intended to survive the termination of this Agreement.

For purposes of this Section 6(a), the term “Seller’s Knowledge” means the actual knowledge of _____, in his/her capacity as _____ of the Property, whom the Seller represents to the Purchaser are the persons who are the most knowledgeable about the Property.

(b) The Purchaser's Representations and Warranties. As a material inducement to the Seller to execute this Agreement and consummate this transaction, the Purchaser represents and warrants to the Seller that the Purchaser has been duly organized and is validly existing as a corporation, and if required to consummate the transaction, will be registered to transact business as a foreign corporation under the laws of the State of Illinois. The Purchaser has the full right and authority and has obtained any and all consents required therefor to enter into this Agreement, consummate or cause to be consummated the purchase, and make or cause to be made the deliveries and undertakings contemplated herein or hereby. The persons signing this Agreement on behalf of the Purchaser are authorized to do so. This Agreement and all of the documents to be delivered by the Purchaser at the Closing have been (or will be) authorized and properly executed and will constitute the valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their terms.

(c) Representations and Warranties Prior to Closing. The continued validity in all respects of the foregoing representations and warranties shall be a condition precedent to the obligation of the party to whom the representation and warranty is given to close the transaction contemplated herein. If (i) any of the Seller's representations and warranties shall not be true and correct at any time on or before the Closing whether not true and correct as of the date of this Agreement, or (ii) any change in facts or circumstances has made the applicable representation and warranty no longer true and correct, then the Purchaser may, at the Purchaser's option, exercised by written notice to the Seller (and as its sole and exclusive remedy), either (y) proceed with this transaction, accepting the applicable representation and warranty as being modified by such subsequent matters or knowledge and waiving any right relating thereto, if any, or (z) terminate this Agreement and declare this Agreement of no further force and effect, in which event the Earnest Money shall be immediately returned to the Purchaser and the Seller shall have no further liability hereunder by reason thereof, except for the indemnity provisions set forth in Section 22(p) of this Agreement, any other provision of this Agreement that is expressly intended to survive the termination of this Agreement, and, if the breach of any representation and warranty of the Seller hereunder results from the willful and intentional act of the Seller, the Purchaser shall also have the rights and remedies available to the Purchaser under Section 18(b) of this Agreement upon a default by the Seller of its obligations under this Agreement.

(d) Covenants of the Seller. The Seller covenants and agrees that during the period from the date of this Agreement through and including the Closing Date:

(1) The Seller will timely pay and perform its obligations under the Leases. The Seller agrees to effectively terminate (and give written notices of such termination to all of the other parties thereto), effective as of Closing, all Leases. If any tenant asserts any claims or files a lawsuit against the Property or the Seller or the Purchaser in connection with or related to such termination, the Seller shall be solely responsible for all costs and fees related to defending such claims or lawsuits and shall indemnify, defend and hold the Purchaser harmless, from any loss, cost, expenses and liability related thereto.

(2) The Seller will timely pay and perform its obligations under the Service Contracts.

(3) Following the expiration of the Due Diligence Period, the Seller will not enter into any contract or agreement that will be an obligation affecting the Property subsequent to the Closing Date except for contracts entered into in the ordinary course of business that are terminable without cause and without payment of a fee or penalty on not more than 30-days' notice.

(4) [RESERVED]

(5) The Seller will continue to operate and maintain the Property in accordance with past practices and will not make any material alterations or changes thereto.

(6) The Seller will maintain casualty and liability insurance of a level and type consistent with the insurance maintained by the Seller prior to the execution of this Agreement with respect to the Property.

(7) The Seller shall not do anything, nor authorize anything to be done, which would adversely affect the condition of title as shown on the Title Commitment.

(8) The Seller agrees to effectively terminate (and give written notices of such termination to all of the other parties thereto), effective as of Closing, all Service Contracts and Leases.

7. Due Diligence Period.

(a) The Purchaser shall have a period beginning on the Effective Date and ending at 11:59 p.m., local time where the Premises is located, on the date that is the later of the date which is thirty (30) days from the Effective Date (the "**Due Diligence Period**"), to examine, inspect, and investigate the Property and, in the Purchaser's sole discretion, to determine whether the Purchaser wishes to proceed to purchase the Property. Notwithstanding anything herein to the contrary, in the event that any of the deliveries outlined on **Schedule 6(a)(3)** to this Agreement are not delivered to the Purchaser on the Effective Date, the Due Diligence Period shall be extended by the same number of days as equals any delay in delivery to the Purchaser.

(b) The Purchaser may terminate this Agreement for any reason or for no reason by giving written notice of such termination to the Seller on or before the last day of the Due Diligence Period. If this Agreement is terminated pursuant to this **Section 7**, the Earnest Money shall be immediately returned to the Purchaser, and neither party shall have any further liability or obligation to the other under this Agreement except for the indemnity provisions set forth in **Section 22(p)** of this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement.

(c) Subject to the rights of tenants under the Leases, the Purchaser, during the Due Diligence Period and through the Closing, shall have reasonable access to the Property for the purpose of conducting, surveys, architectural, engineering, geo-technical and environmental inspections and tests, and any other inspections, studies, or tests reasonably required by the Purchaser. The Purchaser shall give the Seller not less than twenty-four (24) hours prior

telephonic notice before entering onto the Premises to perform inspections or tests, and in the case of tests (i) the Purchaser shall specify to the Seller the precise nature of the test to be performed, and (ii) the Seller may require, as a condition precedent to the Purchaser's right to perform any such test, that the Purchaser deliver the Seller evidence of public liability and other appropriate insurance naming the Seller as an additional insured thereunder. Such examination of the physical condition of the Property may include an examination for the presence or absence of hazardous or toxic materials, substances or wastes (collectively, "**Hazardous Materials**"), which shall be performed or arranged by the Purchaser at the Purchaser's sole expense. The Purchaser shall keep the Property free and clear of any liens and will indemnify, protect, defend, and hold each of the Seller and its officers, directors members, managers, employees, and agents (each, a "**Seller Related Party**") harmless from and against all losses, costs, damages, claims, liabilities and expenses (including reasonable attorneys' fees and court costs) arising from damage to the Premises and injury to persons asserted against or incurred by any Seller Related Party as a result of such entry by the Purchaser, its agents, employees or representatives. If any inspection or test damages the Property and the Purchaser does not acquire the Property, the Purchaser will restore the Property to substantially the same condition as existed prior to any such inspection or test. The Purchaser and its agents, employees and representatives may, upon not less than 24 hours prior telephonic notice to the Seller, examine and make copies of all books and records and other materials relating to the condition of the Property in the Seller's possession at the office where such records are maintained. Any information provided to or obtained by the Purchaser with respect to the Property shall be subject to the provisions of **Section 22(o)** of this Agreement.

8. As Is Sale.

EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE SELLER SET FORTH IN THIS AGREEMENT AND THE CLOSING DOCUMENTS (AS DEFINED BELOW), THE PURCHASER UNDERSTANDS AND AGREES THAT THE SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY OR THE TRUTH, ACCURACY OR COMPLETENESS OF ANY MATERIALS, DATA OR INFORMATION DELIVERED BY THE SELLER TO THE PURCHASER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY. THE PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING THE SELLER SHALL TRANSFER AND CONVEY TO THE PURCHASER AND THE PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS", EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT OR IN ANY AGREEMENT OR INSTRUMENT EXECUTED BY THE SELLER AND DELIVERED TO THE PURCHASER AT CLOSING ("CLOSING DOCUMENTS").

THE PURCHASER REPRESENTS TO THE SELLER THAT THE PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS THE PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION

OF THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF THE SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE CLOSING DOCUMENTS.

9. Survival of Representations After Closing.

(a) All representations and warranties of the Seller herein shall survive the Closing for a period of one (1) year (the "**Limitation Period**").

(b) The Purchaser shall provide written notice to the Seller of any breach of any of the Seller's warranties or representations of which the Purchaser acquires knowledge, through any means, at any time after the Closing Date but prior to the expiration of the Limitation Period, and shall allow the Seller thirty (30) days from the date of such Purchaser's notice to Seller within which to cure such breach, or, if such breach is susceptible of cure but cannot reasonably be cured within thirty (30) days, an additional reasonable time period required to effect such cure so long as such cure has been commenced within such thirty (30) days and diligently pursued but in no event more than ninety (90) days from the date of such Purchaser's notice to Seller. If the Seller fails to cure such breach after written notice and within such cure period (as extended), the Purchaser's sole remedy shall be an action at law for damages as a consequence thereof, which must be commenced, if at all, within six (6) months after the expiration of the Limitation Period.

10. Closing.

(a) The closing shall be accomplished through the escrow referred to in **Section 10(b)** below, and shall take place on the date (the "**Closing Date**") that is selected by the Purchaser by written notice to the Seller, which date shall be no later than November 30, 2013, provided that all conditions precedent to the Closing have been fulfilled or have been waived in writing by the respective party entitled to waive same. Notwithstanding the foregoing, in the event Purchaser has not received financing for the acquisition of the Property, on terms and condition acceptable to Purchaser in its sole and absolute discretion, or such lender needs additional time to provide such financing, Purchaser shall have, in its sole discretion, the unilateral (one time only) right to extend the Closing Date for up to five (5) business days by providing Seller with written notice of such election to extend on or prior to the Closing Date.

(b) On or prior to the date set for Closing under this Agreement, the parties shall establish a customary deed and money escrow with the Title Insurer. Counsel for the respective parties are hereby authorized to execute the escrow trust instructions as well as any amendments thereto on behalf of their respective clients.

11. Conditions to the Purchaser's Obligation to Close.

(a) The Purchaser shall not be obligated to proceed with the Closing unless and until each of the following conditions has been either fulfilled or waived in writing by the Purchaser:

(1) This Agreement shall not have been previously terminated pursuant to any other provision hereof;

(2) The Seller shall be prepared to deliver or cause to be delivered to the Purchaser all instruments and documents to be delivered to the Purchaser at the Closing pursuant to **Section 14** and **Section 16** or any other provision of this Agreement;

(3) All Service Contracts, Leases and any property management agreements with respect to the Premises shall have been effectively terminated on or prior to the Closing at no cost, liability or expense to the Purchaser;

(4) Seller shall have performed all of its obligations required to be performed hereunder on or before Closing;

(5) [RESERVED];

(6) The Title Insurer shall have committed to issue a title policy satisfying the requirements of **Section 13** hereof;

(7) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, against or involving Seller that would materially and adversely affect Seller's ability to perform its obligations under this Agreement;

(8) [RESERVED]; and

(9) Purchaser shall have conducted, immediately prior to the Closing, a re-inspection of the Property which confirms that no material change has occurred from the date of the original Property inspection. If the Property has materially changed from the date of the original Property inspection, the Purchaser shall have the rights and remedies under **Section 18(b)** hereof.

(b) In the event that any of the foregoing conditions shall not have been fulfilled on or before the time for Closing hereunder, then subject to the provisions of **Section 18(b)** hereof, the Purchaser may elect, upon notice to the Seller, to either (1) terminate this Agreement, in which event the Earnest Money shall be immediately returned to the Purchaser and neither party shall have any further liability or obligation to the other, except for the indemnity provisions set forth in **Section 22(p)** of this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement, or (2) waive any one or more of the foregoing conditions and proceed to Closing.

12. **Conditions to the Seller's Obligation to Close.**

(a) The Seller shall not be obligated to proceed with the Closing unless and until each of the following conditions has been fulfilled or waived in writing by the Seller:

(1) The Purchaser shall be prepared to pay to the Seller the Purchase Price and all other amounts to be paid to it at Closing pursuant to the provisions of this Agreement;

(2) The Purchaser shall be prepared to deliver to the Seller all instruments and documents to be delivered to the Seller at the Closing pursuant to **Section 15** and **Section 16** or any other provision of this Agreement; and

(3) This Agreement shall not have been previously terminated pursuant to any other provision hereof.

(b) In the event that any of the foregoing conditions shall not have been fulfilled on or before the time for Closing hereunder, then subject to the provisions of **Section 18(a)** hereof, the Seller may elect, upon notice to the Purchaser, to terminate this Agreement, in which event the Earnest Money shall be immediately returned to the Seller and neither party shall have any further liability or obligation to the other, except for the indemnity provisions set forth in **Section 22(p)** of this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement.

13. **Title Insurance.**

(a) Within five (5) business days of the date of this Agreement, the Seller shall deliver (or cause the Title Insurer to deliver to the Purchaser) a commitment for the Title Policy described in **Section 13(b)** below dated on or after the Effective Date (the “**Title Commitment**”), together with legible copies of all of the underlying documentation described in such Title Commitment (the “**Title Documents**”) and the Survey to the extent not already delivered to Purchaser. Purchaser may order an updated ALTA survey at Purchaser’s sole cost and expense (the “**Updated Survey**”). The Due Diligence Period shall be extended for each day in which Seller does not deliver the Title Commitment as required under this **Section 13(a)**.

(b) Purchaser shall have a period of fifteen (15) days after receipt by Purchaser of the latest of the Survey, the Updated Survey, if any, the Title Commitment and the Title Documents (“**Title Review Period**”) in which to review the Title Commitment, the Title Documents, the Updated Survey, if any, and the Survey and notify Seller in writing, at Purchaser’s election, of such objections as Purchaser may have to any matters contained therein (“**Purchaser’s Objection Notice**”; any of said objections listed on Purchaser’s Objection Notice are deemed the “**Objectionable Exceptions**”). If Seller does not notify Purchaser in writing within three (3) business days after receiving the Purchaser’s Objection Notice, Seller shall conclusively be deemed to have agreed to remove all said Objectionable Exceptions at or before Closing. On the other hand, if Seller notifies Purchaser in writing within three (3) business days after receipt of the Purchaser’s Objection Notice that it has elected not to cure one or more of said Objectionable Exceptions (“**Seller’s Notice**”) (subject to Seller’s obligation to remove or cure those items referenced in **Section 13(b)** below) (and if necessary, such Due Diligence Period and Title Review Period shall be extended to compensate for such timeframe), Purchaser shall have the right to either (a) terminate this Agreement by delivering written notice within five (5) business days after receipt of such Seller’s Notice, in which event, the Earnest Money shall be returned to Purchaser and neither party shall have any further rights or obligations under the

Agreement, except for the indemnity provisions set forth in Section 22(p) of this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement, or (b) Purchaser may consummate the transaction contemplated by this Agreement in accordance with the terms hereof, in which event, all those Objectionable Exceptions that Seller has so elected not to cure shall conclusively be deemed to constitute “**Permitted Encumbrances**”. Notwithstanding the foregoing, prior to Closing, Purchaser may, at its cost and expense, obtain an update or endorsement to the Title Commitment which updates the effective date of the Title Commitment. If such update or endorsement adds any previously unlisted title or survey exceptions to Schedule B-II of the Title Commitment or its equivalent which: (i) renders title to the Premises unmarketable, (ii) would materially and adversely affect Purchaser’s contemplated use(s) of the Premises, and/or (iii) may increase the costs to complete any project that Purchaser desires to construct on the Premises by more than Ten Thousand Dollars (\$10,000) in the aggregate, each as determined in Purchaser’s reasonable discretion, then Purchaser may object to any such new exception(s) by delivering written notice to Seller prior to Closing and any such notice shall: (x) be treated as a Purchaser’s Objection Notice, (y) the exception(s) objected to in any such notice shall be treated as Objectionable Exceptions, and (z) the Seller shall have until the earlier to occur of: (1) the time period provided under Section 13(b), or (2) the Closing, to respond to such Purchaser’s Objection Notice; provided, however, that matters of title or survey created by, through, or under Purchaser, if any, shall not be objectionable and shall automatically be additional Permitted Encumbrances.

(c) The Seller, at its sole expense, shall cause to be delivered to the Purchaser at Closing an owner’s title insurance policy with extended coverage (the “**Title Policy**”) issued by the Title Insurer, dated the day of Closing, in the full amount of the Purchase Price, the form of which shall be American Land Title Association Owner’s Policy, Standard Form B, 2006 (or such other form required or promulgated pursuant to applicable state insurance regulations), subject only to the Permitted Exceptions (as defined below). The Title Policy may contain any endorsements requested by the Purchaser; provided that, the Purchaser shall satisfy itself as to the availability of any such endorsements prior to the expiration of the Due Diligence Period. The costs of any such endorsements shall be paid for by the Purchaser unless otherwise provided herein.

(d) Prior to the expiration of the Due Diligence Period, the Purchaser shall review title to the Premises as disclosed by the Title Commitment, the Survey and the Updated Survey, and satisfy itself as to the availability from the Title Insurer of all requested endorsements to such Title Policy.

(e) The Seller shall have no obligation to remove or cure title objections, except for (1) liens of an ascertainable amount, which liens the Seller shall cause to be released at the Closing or affirmatively insured over by the Title Insurer with the Purchaser’s approval and, (2) any exceptions or encumbrances to title which are created by the Seller after the Effective Date without the Purchaser’s consent. In addition, the Seller and Purchaser shall provide the Title Insurer with all affidavits, ALTA statements or personal undertakings (collectively, the “**Owner’s Affidavit**”), in form and substance reasonably acceptable to the Title Insurer, that will permit the Title Insurer to provide extended coverage and to remove the standard “mechanics lien” and “GAP” exceptions and otherwise issue the Title Policy.

(f) **“Permitted Exceptions”** shall mean: (1) any exception arising out of an act of the Purchaser or its representatives, agents, employees or independent contractors; (2) zoning and subdivision ordinances and regulations; (3) Permitted Encumbrances, as described in **Section 13(b)** above; (4) rights of tenants under the Leases, except those Leases to be terminated by Seller pursuant to Section 6(d)(1) of this Agreement, as tenants, licensees, occupants, users or other grantees of the Premises only; (5) other title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount, which Seller (with the consent of Purchaser) elects to have removed or insured over by the Title Insurer by the payment of money and which are removed or insured over at or prior to Closing; and (6) real estate taxes and assessments not yet due and payable.

14. **Documents to be Delivered to the Purchaser at Closing.**

At Closing, the Seller shall deliver or cause to be delivered to the Purchaser each of the following instruments and documents:

(a) **Deed.** The Deed, in the form attached hereto as **Exhibit C.**

(b) [RESERVED]

(c) **The Title Policy.** The Title Policy, provided, however, that the Title Policy may be delivered after the Closing if at the Closing the Title Insurer, issues a currently effective, duly-executed “marked-up” Title Commitment and irrevocably commits in writing to issue the Title Policy in the form of the “marked-up” Title Commitment after the Closing.

(d) [RESERVED]

(e) **Transfer Tax Declarations.** Original copies of any required real estate transfer tax excise or documentary stamp tax declarations executed by the Seller or any other similar documentation required to evidence the payment of any tax imposed by the state, county and city on the transaction contemplated hereby.

(f) **FIRPTA.** An affidavit, in the form attached hereto as **Exhibit F,** stating the Seller’s U.S. taxpayer identification number and that the Seller is a “United States person”, as defined by Internal Revenue Code Section 1445(f)(3) and Section 7701(b).

(g) **Owner’s Affidavit.** The Owner’s Affidavit referred to in **Section 13(e)** above.

(h) **Surveys, Plans, Permits and Specifications.** All existing surveys, blueprints, drawings, designs, plans and specifications, permits, and operating manuals for or with respect to the Premises or any part thereof to the extent the same are in the Seller’s possession or control.

(i) **Keys.** All keys to the improvements, to the extent the same are in the Seller’s possession or control.

(j) Leases. Written evidence, in form and substance reasonably acceptable to Purchaser, that all Leases have been terminated effective as of Closing.

(k) Service Contracts. Written evidence, in form and substance reasonably acceptable to Purchaser, that all Service Contracts effective as of Closing.

(l) Certificate. A certificate of the Seller dated as of the Closing Date certifying that the representations and warranties of the Seller set forth in Section 6(a) of this Agreement as applicable, remain true and correct in all material respects as of the Closing Date.

(m) Certified Rent Roll. A rent roll for the Premises, certified by an authorized officer, manager or member of Seller, dated not more than three (3) days prior to Closing.

(n) Other Deliveries. Such other documents and instruments as may be required by any other provision of this Agreement.

(o) Termination of Property Management Agreement. A certificate certified by an authorized officer, manager or member of Seller that there is no property management agreement affecting the Premises.

15. Documents to be Delivered to the Seller at Closing.

At Closing, the Purchaser shall deliver or cause to be delivered to the Seller each of the following instruments, documents and amounts:

(a) Purchase Price. The Purchase Price calculated pursuant to Section 5 hereof, subject to adjustment and proration as provided in Section 17 below.

(b) Transfer Tax Declarations. Original copies of any required real estate transfer tax or documentary stamp tax declarations executed by the Purchaser or any other similar documentation required to evidence the payment of any tax imposed by the state, county and city on the transaction contemplated hereby.

(c) [RESERVED]

(d) Certificate. A certificate of the Purchaser dated as of the Closing Date certifying that the representations and warranties of the Purchaser set forth in Section 6(b) of this Agreement, as applicable, remain true and correct in all material respects as of the Closing Date.

(e) Other Documents. Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to carry out the terms and intent of this Agreement.

16. Documents to be Delivered by the Seller and the Purchaser at Closing.

At Closing, the Purchaser and the Seller shall deliver or cause to be delivered each of the following instruments and documents:

- (a) Escrow Instructions. Escrow instructions as described in Section 10(b).
- (b) Settlement Statement. A fully executed settlement statement.

17. Prorations and Adjustments.

(a) Prorations and Adjustments. Real estate and personal property taxes and assessments will be prorated between Purchaser and Seller for the period for which such taxes are assessed, regardless of when payable. If the current tax bill is not available at Closing, then the proration shall be made on the basis of 103% of the most recent ascertainable tax assessment and tax rate. Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the fiscal year in which Closing occurs or any prior years have not been paid before Closing, Purchaser shall be credited by Seller at the time of Closing with an amount equal to that portion of such taxes and assessments which are ratably attributable to the period before the Closing Date and Purchaser shall pay (or cause to be paid) the taxes and assessments prior to their becoming delinquent. If taxes and assessments for the fiscal year in which Closing occurs have been paid before Closing (or are paid at Closing with proceeds from the Purchase Price), Seller shall be credited by Purchaser at the time of Closing with an amount equal to that portion of such taxes and assessments which are ratably attributable to the period from and after the Closing Date. All prorations pursuant to this Section 17 shall be final.

(b) Utilities. All utilities shall be prorated based upon estimates using the most recent actual invoices. Seller shall receive a credit for the amount of deposits, if any, with utility companies that are transferable and that are assigned to Purchaser at the Closing. In the case of non-transferable deposits, Purchaser shall be responsible for making any security deposits required by utility companies providing service to the Premises.

18. Default; Termination.

(a) If the Purchaser defaults in any material respect hereunder, the Seller's sole remedy shall be to terminate this Agreement by giving written notice thereof to the Purchaser, whereupon the Earnest Money (or the portion thereof which has been deposited by the Purchaser with the Title Insurer) shall be retained by the Seller as liquidated damages as the Seller's sole and exclusive remedy, and neither party shall have any further liability or obligation to the other, except for the indemnity provisions set forth in Section 22(p) of this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement. The parties acknowledge and agree that the Seller's actual damages in the event of purchaser's default are uncertain in amount and difficult to ascertain and that said amount of liquidated damages was reasonably determined and is not a penalty. The Seller may not exercise its sole remedy if the Seller is in default in any material respect under this Agreement.

(b) If the Seller defaults in any material respect hereunder, the Purchaser may, at its sole election, either:

- (1) Terminate this Agreement, whereupon the Earnest Money shall be immediately returned to the Purchaser and neither party shall have any further liability or obligation to the other, except for the indemnity provisions set forth in Section 22(p) of

this Agreement and any other provision of this Agreement that is expressly intended to survive the termination of this Agreement; or

(2) Assert and seek judgment against the Seller for specific performance, provided that if a court of competent jurisdiction determines that the remedy of specific performance is not available to the Purchaser (for example, but not in limitation, because the Seller's default arose under the last sentence of **Section 6(c)** or the Seller has sold all or any portion of the Property to a third party in violation of the terms of this Agreement), then the Purchaser shall have all remedies available to it at law or in equity, including, without limitation, the right to seek judgment against the Seller for actual contract damages.

The Purchaser may not exercise its remedies hereunder if the Purchaser is in default in any material respect under this Agreement,

19. **Expenses.**

(a) Title insurance premiums for the extended coverage Title Policy (other than the costs of the endorsements to such Title Policy other than extended coverage), all state, county, or local transfer taxes, one-half (½) of the escrow fee, and all costs of updating or obtaining a new survey, shall be borne and paid by the Seller.

(b) The costs of the endorsements to the Title Policy, one-half (½) of the escrow fee and all recording fees respecting the Deed shall be borne and paid by the Purchaser.

(c) All other costs, charges, and expenses shall be borne and paid as provided in this Agreement, or in the absence of such provision, in accordance with applicable law or local custom.

20. **Intermediaries.**

(a) The Purchaser and the Seller acknowledge and agree that there is no broker involved in this transaction.

(b) The Seller represents to the Purchaser, and the Purchaser represents to the Seller, that there is no broker, finder, or intermediary of any kind with whom such party has dealt in connection with this transaction. Except as expressly set forth above, if any claim is made for broker's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement or the transactions contemplated hereby by or through acts of Seller or Purchaser or their respective partners, agents or affiliates, then Seller or Purchaser, as applicable, shall defend, indemnify and hold harmless the other party from and against any such claim based upon any statement, representation or agreement of such party, which obligation shall survive Closing.

21. [RESERVED]

22. **General Provisions.**

(a) **Entire Agreement.** This Agreement, including all exhibits and schedules attached hereto and documents to be delivered pursuant hereto, shall constitute the entire agreement and understanding of the parties with respect to the subject matter contained herein, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants related to such subject matter not contained herein.

(b) **Amendments in Writing.** This Agreement may be amended only by a written agreement executed by all of the parties hereto. Purchaser and Seller agree that any amendments or modifications to this Agreement may be entered into by either Purchaser or its counsel or Seller or its counsel (including without limitation, amendments or modifications related to title and survey matters) and the execution of an amendment or modification by counsel instead of the applicable Purchaser or Seller is expressly permitted and agreed to by the parties to this Agreement and each party's counsel shall be deemed a permitted and authorized agent of such party until the time that the Purchaser or Seller notifies the other party in writing that their respective counsel does not have authority to amend or modify this Agreement on its behalf.

(c) **Waiver.** No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be taken as a waiver of any other or similar provision or of any future event, act, or default.

(d) **Time of the Essence.** Time is of the essence of this Agreement. However, if the Purchaser is acting diligently and in good faith to proceed with the consummation of the transaction contemplated by this Agreement on the Closing Date, the Seller will, upon the written request of the Purchaser, extend the Closing Date, one time only, up to three (3) business days. In the computation of any period of time provided for in this Agreement or by law, any date falling on a Saturday, Sunday or legal holiday when banks are not open for business in either: (i) Chicago, Illinois and/or (ii) Michigan shall be deemed to refer to the next day which is not a Saturday, Sunday, or legal holiday when banks are not open for business in such locations.

(e) **Severability.** Except as otherwise provided in the succeeding sentence, every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement. The preceding sentence shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any party to lose the benefit of its economic bargain.

(f) **Headings.** Headings of sections are for convenience of reference only, and shall not be construed as a part of this Agreement.

(g) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefits of the parties hereto, and their respective successors, and permitted assigns. This Agreement may not be assigned by either party without the consent of the other party,

provided that this Agreement may be assigned by the Purchaser to an affiliate provided that, such assignment shall not release the Purchaser from its obligations under this Agreement.

(h) Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to be an adequate and sufficient notice if given in writing and delivery is made either by (i) personal delivery, in which case the notice shall be deemed received the date of such personal delivery or refusal of receipt, (ii) nationally recognized overnight air courier service, next day delivery, prepaid, in which case the notice shall be deemed to have been received one (1) business day following delivery to such nationally recognized overnight air courier service or refusal of receipt, (iii) facsimile, provided that at the time of being sent by facsimile, delivery thereof is confirmed by sender's receipt of a transmission report generated by sender's facsimile machine, which confirms that the facsimile was successfully transmitted, or (iv) email, provided that delivery thereof is acknowledged by the receiving party, evidenced by the sender's receipt of a receipt evidencing delivery from its email program, or the sender of an email notice otherwise does not receive any indication that such email did not get delivered properly to the applicable recipient, and to the following addresses, facsimile numbers or email addresses, as applicable:

IF TO THE PURCHASER:

c/o Clark Street Holdings, LLC
161 N. Clark Street, Suite 4900
Chicago, Illinois 60601
Attention: Thomas M. Scott
Facsimile: (312) 994-1880
Email: tscott@campusacquisitions.com

with copies to:

Polsinelli PC
161 N. Clark St., Suite 4200
Chicago, Illinois 60601
Attention: Eric G. Greenfield
Facsimile: (312) 873-2932
Email: egreenfield@polsinelli.com

IF TO THE SELLER:

City of Ann Arbor, Michigan
Larcom City Hall, Third Floor
301 E. Huron Street
Ann Arbor, Michigan 48104
Attention: Steve Powers, City Administrator
Facsimile: (734) 994-8297
Email: _____

with copies to:

[_____]
[_____]
[_____]
Attention: [_____]
Facsimile: [_____]
Email:[_____]

or to such additional or other persons, at such other address or addresses as may be designated by notice from the Purchaser or the Seller, as the case may be, to the other party. Any notice to be delivered pursuant to this Agreement (including without limitation, any notice or responses related to title, survey or other due diligence matters) may be delivered by either Purchaser or its counsel or Seller or its counsel and the delivery of notice by counsel instead of the applicable Purchaser or Seller is expressly permitted and agreed to by the parties to this Agreement and each party’s counsel shall be deemed a permitted and authorized agent of such party for purposes of delivering notices until the time that the Purchaser or Seller notifies the other party in writing that their counsel does not have authority to deliver notices of this Agreement on its behalf, respectively.

(i) Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Michigan.

(j) Counterparts; Non-Paper Records. This Agreement may be signed or otherwise authenticated in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so authenticated, shall be deemed an original, but all such counterparts shall constitute one and the same Agreement. Any signature or other authentication delivered by facsimile or electronic transmission shall be deemed to be an original signature hereto. Each party who signs or otherwise authenticates this Agreement hereby: (1) agrees that the other party may create a duplicate of this Agreement by storing an image of it in an electronic or other medium (a “Non-Paper Record”); (2) agrees that, after creating the Non-Paper Record, such party may discard or destroy the original in reliance on this Section; (3) agrees that the Non-Paper Record shall be treated as the original for all purposes; and (4) expresses its present intent to adopt and accept the Non-Paper Record as an authenticated record of this Agreement. This Agreement, when signed or authenticated pursuant to this Section, shall be evidence of the existence of this Agreement and may be received in all courts and public spaces as conclusive evidence of the existence of this Agreement and that this Agreement was duly executed by the parties to this Agreement.

(k) Attorney’s Fees. In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover all costs and expenses including its attorneys’ fees in such action or proceeding in such amount as the court may adjudge reasonable. The prevailing party shall be determined by the court based upon an assessment of which party’s major arguments made or positions taken in the proceedings could fairly be said to have prevailed over the other party’s major arguments or positions on major disputed issues in the court’s decision. If the party which shall have

commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

(l) Construction. This Agreement shall not be construed more strictly against the Purchaser merely by virtue of the fact that the same has been prepared by the Purchaser or its counsel, it being recognized both of the parties hereto have contributed substantially and materially to the preparation of this Agreement. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders and any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

(m) Reporting Obligations. The Seller and the Purchaser hereby designate the Title Insurer to act as and perform the duties and obligations of the "reporting person" with respect to the transaction contemplated by this Agreement for purposes of 26 C.F.R. Section 1.6045-4(e)(5) relating to the requirements for information reporting on real estate transaction closed on or after January 1, 1991. If required, the Seller, the Purchaser and the Title Insurer shall execute at Closing a designation agreement designating the Title Insurer as the reporting person with respect to the transaction contemplated by this Agreement.

(n) [RESERVED]

(o) Confidentiality/Exclusivity. The: (i) Purchaser and its respective representatives shall hold in strictest confidence all data and information obtained with respect to the operation and management of the Property and the terms and conditions of this Agreement, and (ii) Seller and its respective representatives shall hold in strictest confidence all data and information obtained with respect to Purchaser and its affiliates' operations and the terms and conditions of this Agreement, whether obtained before or after the execution and delivery hereof, and shall not use such data or information for purposes unrelated to this Agreement or disclose the same to others except as expressly permitted hereunder. The preceding sentence shall not be construed to prevent either party from disclosing to: (y) its prospective lenders or investors, or to its officers, directors, attorneys, accountants, architects, engineers and consultants to perform their designated tasks in connection with the transaction contemplated by this Agreement; provided that such disclosing party advises any such third party of the confidential nature of the information disclosed, or (z) the Title Insurer. However, neither party shall have this obligation concerning information which: (a) is published or becomes publicly available through no fault of either the Purchaser or the Seller; (b) is rightfully received from a third party; or (c) is required to be disclosed by law. Seller agrees that, from the date of the expiration or waiver of the Due Diligence Period until the earlier of such time as (1) the Closing Date or (2) the termination of this Agreement, Seller shall not, directly or indirectly, through any officer, director, agent, representative or otherwise, solicit, initiate or encourage the making of any inquiries, engage in negotiations or other substantial discussions, or enter into any agreement with any party, with respect to the transaction contemplated under this Agreement and shall discontinue any pending discussions or negotiations with respect to the transaction contemplated hereunder.

(p) Indemnification. The Seller hereby agrees to indemnify, protect, defend and hold the Purchaser and its officers, directors, members, managers, partners, shareholders, employees and agents harmless from and against any third party loss, cost, damage, claim,

liability or expense (including reasonable attorneys' fees and court costs) relating to the Property or as a result of a breach or inaccuracy of one of Seller's covenants, representations or warranties pursuant to this Agreement and arising or accruing at any time prior to the Closing or the earlier termination of this Agreement, as the case may be. This provision shall survive the Closing or the earlier termination of this Agreement, as the case may be. All indemnification covenants contained in this Agreement shall be enforceable only to the extent allowed by law.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; THE SIGNATURE PAGE TO THIS REAL ESTATE AGREEMENT FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

SELLER

CITY OF ANN ARBOR, MICHIGAN

By: _____

Name: _____

Its: _____

PURCHASER:

CLARK STREET HOLDINGS, LLC

By: _____

Name: _____ THOMAS M. SCOTT

Its: _____ MANAGER

LIST OF EXHIBITS AND SCHEDULES

EXHIBITS	DESCRIPTIONS
1. EXHIBIT A	LEGAL DESCRIPTION
2. EXHIBIT B	LIST OF SERVICE CONTRACTS & LEASES
3. EXHIBIT C	FORM OF DEED
4. EXHIBIT D	Intentionally Omitted
5. EXHIBIT E	Intentionally Omitted
6. EXHIBIT F	FORM OF FIRPTA AFFIDAVIT
SCHEDULES	DESCRIPTIONS
1. 6(a)(3)	PROPERTY INFORMATION
2. 6(a)(5)	RENT ROLL

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

EXHIBIT B

LIST OF SERVICE CONTRACTS & LEASES

EXHIBIT C

FORM OF SPECIAL WARRANTY DEED

Prepared by:

After Recording return to:

Eric G. Greenfield, Esq.
Polsinelli PC
161 N. Clark St., Suite 4200
Chicago, Illinois 60601

(For Recorder's Use Only)

[NOTE: FORM OF DEED TO BE CONFORMED TO COMPLY WITH LOCAL REQUIREMENTS]

**SPECIAL WARRANTY DEED
(Michigan)**

This SPECIAL WARRANTY DEED is made this ___ day of _____, 2013, by [_____] a [limited liability company / corporation / general / limited partnership] created and existing under and by virtue of the laws of the State of [_____] ("Grantor"), having an address of [_____] to [_____] a [_____] having an address of [_____] (the "Grantee").

Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) paid to Grantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has CONVEYED and does hereby CONVEY unto Grantee, all of Grantor's interest in the real property located in Washentaw County, Michigan, and being more particularly described on **Exhibit A** attached hereto (the "Property").

*This conveyance is made and accepted subject to the permitted exceptions described on **Exhibit B** attached hereto (collectively, the "Permitted Exceptions").*

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, unto Grantee and Grantee's successors and assigns in fee simple forever; and, subject to the Permitted Exceptions, Grantor does hereby warrant the title to the Property and will defend the title to the

Property against the lawful claims of every person claiming by, through, or under Grantor, but not otherwise.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed and delivered by its duly authorized officer, as of the day and year first above written.

[_____] a
[_____]

By: _____
Name: _____
Title: _____

STATE OF MICHIGAN)
) SS.
COUNTY OF _____)

I, _____ a notary public in and for said County, in the State aforesaid, do hereby certify that _____ personally known to me to be the _____ of _____, a [_____], and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____ of such [_____], he signed and delivered the said instrument pursuant to authority given by the operating agreement of such [_____], as his free and voluntary act and as the free and voluntary act and deed of such [_____], for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____, 2013.

Notary Public
My Commission expires: _____

Exhibit A

LEGAL DESCRIPTION

COMMONLY KNOWN AS: _____

PERMANENT TAX INDEX NUMBER: _-_-_-_-_-

Exhibit B

PERMITTED EXCEPTIONS

EXHIBIT D

Intentionally Omitted.

EXHIBIT E

Intentionally Omitted.

EXHIBIT F
FORM OF FIRPTA AFFIDAVIT

Section 1445 of the Internal Revenue Code, as amended, provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the Transferee (hereinafter defined) that withholding of tax is not required upon the disposition of a United States real property interest by _____, a _____ (the "**Transferor**") to _____, a _____ (the "**Transferee**") relating to the real property described on **Schedule A** hereto (the "**Transferred Interests**"), the undersigned, being first duly sworn upon oath, does hereby depose and say, and does hereby on behalf of the Transferor represent that the following is true as of the date hereof:

1. _____ is the _____ of the Transferor, and is familiar with the affairs and business of the Transferor;

2. The Transferor is not a foreign person; that is, the Transferor is not a nonresident alien, a foreign corporation, foreign partnership, foreign trust or foreign estate (as all such terms are defined in the Internal Revenue Code of 1986, as amended, and United States Treasury Department Income Tax Regulations in effect as of the date hereof);

3. The Transferor is a _____ duly organized, validly existing and in good standing under the laws of the State of _____;

4. The Transferor's United States employer identification number is _____;

5. The Transferor's office address and principal place of business is c/o _____; and

6. Transferor is not a disregarded entity as defined in §1.1445-2(b)(2)(iii).

The undersigned and the Transferor understand that this affidavit and certification may be disclosed to the United States Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

All terms (whether capitalized or not) used but not defined herein shall have the same respective meanings as in the Internal Revenue Code of 1986, as amended, and the United States Treasury Department Income Tax Regulations in effect as of the date hereof.

Under penalties of perjury, we declare that we have examined this affidavit and certificate, and to the best of our knowledge and belief, it is true, correct and complete. We further declare that we have authority to sign this affidavit and certificate on behalf of the Transferor.

IN WITNESS WHEREOF, Transferor has executed and delivered this FIRPTA Affidavit as of _____, 2013.

_____, a _____

By: _____
Name: _____
Its: _____

STATE OF MICHIGAN }
 }
 } SS.
COUNTY OF _____ }

I, the undersigned a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named _____, being the _____ of _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and Notary Seal, this _____ day of _____, 2013.

Notary Public
My Commission Expires:

**SCHEDULE 6(a)(3)
PROPERTY INFORMATION**

1. Copies of all Service Contracts, if any.
2. Copies of all certificates of occupancy and other licenses and permits, if in the Seller's possession.
3. Copies of all as-built plans and specifications for the improvements, if any.
4. Copies of all environmental, engineering, geo-technical reports, if in Seller's possession.
5. Income and expense statements for the Premises for calendar years 2011, 2012 and year to date statements for calendar year 2013, if any.
6. Copies of all insurance bills and policies.
7. Copies of Property insurance bills and policies, if any.
8. Copies of any agreements that will be binding on the Purchaser after closing, if any.
9. Copies of all leases from the Property.
10. Copies of all easements, if any.
11. Insurance loss histories for calendar years 2011, 2012 & 2013, if any.
12. Copies of the real estate tax bills for tax years 2010, 2011, 2012 & 2013, if in Seller's possession.
13. A copy of the most recent survey of the Premises along with an updated survey, if any.
14. A copy of the Seller's existing Owner's Title Insurance Policy, if in Seller's possession.
15. Copies of utility bills for the past three months, if in Seller's possession.
16. Summary of all pending and threatened litigation and claims, if any.
17. Capital expenses for 2011, 2012 & 2013, if any.
18. Copy of any ADA surveys, if any.
19. Copies of all existing warranties, if any.
20. A current certified rent roll.
21. All other documentation reasonably requested by the Purchaser and only if in Seller's possession.

**SCHEDULE 6(a)(5)
RENT ROLL**

Hughes Offer

OFFER TO PURCHASE REAL ESTATE

This OFFER TO PURCHASE REAL ESTATE ("Agreement") dated effective as of the date of the last signature hereof is made by **HUGHES ACQUISITION, LLC**, a Michigan limited liability company, 30100 Telegraph Road, Suite 220, Bingham Farms, MI 48025, on behalf of an entity to be formed, (hereinafter referred to as "Purchaser"), and the **CITY OF ANN ARBOR**, a Michigan municipal corporation, 301 East Huron Street, Ann Arbor, MI 48104 (hereinafter referred to as "Seller").

- 1) Offer to Purchase:** Seller hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from Seller, land located in the City of Ann Arbor, Washtenaw County, State of Michigan which has a Tax Identification Number of 09-09-29-404-001 (being commonly known as 350 South Fifth Avenue) and legally described as S 6 Ft. Lot 2 and all lots 3, 4, 5 and 6 B3S R5E Original Plat of Ann Arbor, together with all easements, rights-of-way, air, oil, gas, mineral and riparian rights, all tenements, hereditaments and appurtenances, and all improvements hereon, all of which herein after collectively are referred to as the "Property", and subject to building and use restrictions of record at the date of closing, upon the following terms and conditions:

- 2) Purchase Price:** The purchase price for the Property shall be Five Million Two Hundred Thousand (\$5,200,000) Dollars.

- 3) Planned Use:** Purchaser is planning a mixed use development which may include on the upper floors: a) market rate apartments (with a maximum of three bedrooms per unit); b) a hotel, with conference or other ancillary facilities; and/or c) office space. The ground level of the structure would include a mixture of facilities to support the upper floors and commercial space. In addition, Purchaser will work closely with the Ann Arbor Transportation Authority to determine the feasibility of expanding their bus facility onto the Property, in order to minimize bus staging on 4th Avenue and Williams Street. Preliminary discussions with the AATA have already been held.

- 4) Payment/Deposit:** The Purchase Price shall be paid by Purchaser to Seller at closing by certified or cashier's check or wire transfer. Within three (3) days of the acceptance and delivery of this Agreement by Seller to the Purchaser, Purchaser shall deposit the sum of One Hundred Thousand (\$100,000) Dollars as an earnest money deposit (the "Deposit") to be held in escrow in an interest bearing account by Absolute Title Company, Ann Arbor, Michigan (the "Title Company"). The Deposit shall be applied to reduce the purchase funds due at Closing, or shall be refunded to Purchaser or retained by Seller in accordance with the terms of this Agreement.

The Deposit as defined in this Section shall be fully refundable to Purchaser in accordance with the terms of this Agreement until the final approval, by the Ann Arbor City Council, of Purchaser's site plan for the Property which will be, upon submission, substantially in accordance with the current C2A/R zoning, with a D-1 overlay. The Extension Deposits, as deposited in Section 5(b), shall be non-fundable except as set forth in that Section. The

residential component, if any, of Purchaser's site plan will further not include any residential units which contain more than three (3) bedrooms.

5) Title:

Within ten (10) days of the execution of this Agreement, Seller shall furnish, at its sole expense, to Purchaser a commitment for an owner's policy of title (including legible copies of all recorded instruments) insurance in favor of Purchaser issued by the Title Company in the amount of the Purchase Price, without standard exceptions, covering the Property. Any delay by Seller in providing Purchaser with a commitment for Title Insurance beyond the ten (10) days provided for herein shall extend the Due Diligence Period by one (1) day for each day of delay.

Purchaser shall have ten (10) days after having received the title commitment and legible copies of all recorded instruments to notify Seller in writing of any objections to the marketable fee simple title. Seller shall have the right to cure such objection(s) in a manner satisfactory to Purchaser, on or before fifteen (15) days of the date of Purchaser's notification. If the written objection(s) have not been cured by Seller within the time specified, Purchaser shall have the option to (i) accept the Property subject to exceptions, (ii) extend the time to cure in a writing, or (iii) terminate this Agreement.

6) Due Diligence:

The obligations of Purchaser under this Agreement are, in its sole discretion, subject to and contingent upon the following:

- a) Purchaser's sole satisfaction with the Property, including, but not limited to soil conditions, utilities, environmental conditions, easements, zoning and economic requirements, marketability and any other tests of the Property conducted by Purchaser. Purchaser shall have a period of one hundred and eighty (180) days following the date Seller executes this Agreement (the "Due Diligence Period") and delivers same to Purchaser to conduct its Due Diligence investigation and obtain any governmental approvals. Seller shall fully cooperate with Purchaser during the Due Diligence Period, including joining in any governmental applications such as site plan approval applications which Purchaser may file. No later than three (3) days following the date of this Agreement, Seller shall provide Purchaser with copies of (i) all surveys of the Property in its possession, (ii) the most recent A.L.T.A. commitment for an owner's title insurance policy together with a copy of all documents of records and exceptions to title indicated on the commitment, (iii) any and all studies, appraisals, tests, site plans and analysis including but not limited to environmental and geotechnical, (iv) any and all lease agreements and service contracts and (v) any licenses and permits in its possession with respect to the Property. When Seller has delivered all the required documents to Purchaser, Seller shall certify to Purchaser that it has done so. All documents forwarded to Purchaser shall be held in confidence and shall be returned to Seller in the event of termination of this Agreement. If Seller is unable to deliver the documents required under this Paragraph 5(a) in the time required, each day of delay shall extend

the Due Diligence Period by one (1) day. In addition, Seller shall extend all reasonable property access and cooperation to Purchaser, its agents and employees, to facilitate Purchaser's evaluation.

- b) The Due Diligence Period may be extended by two (2) additional periods of sixty (60) days each (each, an "Extended Due Diligence Period"). In Purchaser's discretion, Purchaser shall provide written notice to Seller, prior to the termination of the Due Diligence Period of its election to extend the Due Diligence Period or the Extended Due Diligence Period, as applicable. Each Extended Due Diligence Period notification shall be accompanied by an additional deposit of Fifty Thousand (\$50,000) Dollars ("Extension Deposit"). Each Extension Deposit shall be non-refundable, except as defined in Section 5(c) herein, but applied to reduce the purchase funds due at Closing.
- c) Purchaser shall notify Seller prior to the termination of the Due Diligence Period, as it may be extended by an Extended Due Diligence Period, if Purchaser, in its sole and absolute discretion, is satisfied with the results of its testing, investigations and governmental approvals and whether it intends to proceed to Closing. Purchaser, in its sole and absolute discretion, may, for any reason or no reason, choose to terminate this Agreement during the Due Diligence Period as extended after which this Agreement shall be null and void.
- d) If Purchaser terminates this Agreement prior to the expiration of the initial Due Diligence Period, as set forth in Section 5, or its inability to obtain the required Site Plan Approval, as set forth in Section 3, the Deposit shall be immediately returned to Purchaser along with all other amounts due Purchaser as Purchaser's sole remedy and both parties shall be released from further liability hereunder.

7) Property Access: During the Due Diligence Period and any Extended Due Diligence Period, Purchaser or its representatives shall be entitled to enter upon the Property for the purpose of conducting, at Purchaser's sole expense, surveys, wetland and environmental studies, soil borings or such other testing and investigations as are reasonably necessary to allow Purchaser to determine the physical condition of the Property. Purchaser agrees to restore all areas of the Property disturbed by such testing to substantially the same condition that existed prior to any entry thereon by the Purchaser. Seller shall cooperate with Purchaser both before and after Closing in connection with all Purchaser's testing, investigations and approvals.

Purchaser shall indemnify and hold Seller harmless from and against any and all claims, suits, actions, proceedings, damages, liability, costs and expenses (herein after "Claims"), made or asserted as a result of Purchaser's or its employees', agents' or representatives' exercise of such rights of access during the Due Diligence Period, as it may be extended by an Extended Due Diligence Period. Purchaser, at its sole cost and expense, shall defend and indemnify Seller against all Claims.

8) Environmental: Seller represents and warrants to Purchaser as follows: (i) it has not used nor is aware of a third party who has used, generated, treated, stored or disposed of, on, under or about the Property any Hazardous Materials (as defined below) except in compliance with Environmental Laws (as defined below); (ii) that to the best of Seller's knowledge, no Hazardous Materials, except in compliance with Environmental Laws, are in, on, under or about Property which will require removal or other action or expenditure by Purchaser and (iii) that Seller has not knowingly withheld any relevant facts or information in connection with the environmental condition of the Property. The foregoing representations and warranties shall survive Closing.

The term "Environmental Laws" shall mean any United States, State of Michigan or local statute, code, ordinance, rule or regulation.

Hazardous substance, "release" and "threatened release" shall have the meanings specified in CERCLA and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in the Environmental Laws; provided, however, in the event multiple Environmental Laws define any such term, and any one Environmental Law defines such term more broadly than any other, or that any amendment broadens the meaning of any term defined therein, such broader meaning shall apply.

The term "Hazardous Materials" shall mean any flammable substances, explosives, radioactive materials, hazardous substances, hazardous wastes, toxic substances, pollutants, contaminants or any related materials or substances identified in or regulated by any of the Environmental Laws, as defined herein (including but not limited by any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act ("SARA"), 42 USC 9601 et. seq.

Seller hereby agrees to indemnify, defend, save and hold harmless Purchaser from any and all liabilities, claims, actions, demands, penalties, losses, costs, expenses (including without limitation, reasonable attorney fees), lawsuits, costs or any settlement or judgment, and claims of any and every kind whatsoever which may now or in the future be paid, incurred or suffered by or against Purchaser, or any assignee of Purchaser, for the breach of any of the foregoing representations and warranties contained herein. This indemnity shall survive the Closing.

9) Representations: Seller makes the following representations and warranties to Purchaser, which shall be deemed material to the transaction and have been relied upon by Purchaser in connection herewith and all of which shall survive the Closing:

a) Seller has good marketable fee simple title to the Property, and has full power and authority under the terms of its governing documents to enter

into this Agreement and to perform and carry out all obligations, covenants and provisions hereof.

- b) Seller will not cause or permit waste, depletion or any adverse change in the physical condition of any part of the Property to occur prior to Closing, and Seller is not aware of any material defects to the Property.
- c) Seller has received no notice from any governmental agency of any violations of any building or use restrictions, zoning ordinances or other ordinances, rules or regulations affecting the Property, nor to the best of Seller's knowledge is there any condition existing with respect to the Property, or any part thereof, which violates any federal, state or local governmental regulation or law.
- d) Seller has not entered into any other agreements for sale or lease or other restrictions relating to any part of the Property; there are no pending, or to the best of Seller's knowledge, threatened lawsuits, administrative actions or examinations, claims or demands whatsoever relating to the Property; and Seller has not contracted for the furnishing of labor materials to Property which will not be paid in full prior to Closing, or which would give rise to a claim of a construction lien.
- e) Seller hereby agrees to indemnify, defend, save and hold harmless Purchaser from any and all liabilities, claims, actions, demands, penalties, losses, costs, expenses (including, without limitation, reasonable attorney fees), lawsuits, costs of any settlement or judgment, and claims of any and every kind whatsoever which may now or in the future be paid, incurred or suffered by or against Purchaser, or any assignee of Purchaser, for the breach of any of the foregoing representations and warranties contained herein. This indemnity shall survive the Closing.

10) Closing:

The Closing shall occur within sixty (60) days of Purchaser's receipt of final Site Plan Approval for the Property as provided for in Paragraph 3, unless mutually extended by Purchaser and Seller in writing.

- a) At the Closing, Seller shall:
 - (i) Execute a good and sufficient Warranty Deed conveying good and marketable title of the Property to Purchaser, subject to the permitted exceptions, and a Real Estate Transfer Tax Valuation Affidavit.
 - (ii) Cause the premiums due and payable to the Title Company for the owner's title insurance policy to be paid and cause the Title Company to issue the title insurance policy without standard exceptions and containing such special endorsements as Purchaser shall require, and furnish the standard title company affidavit sufficient for the removal of the standard exceptions.

- (iii) Pay all real estate transfer taxes attributable to the sale of the Property and pay all real estate taxes in accordance with this Agreement.
- (iv) Execute and deliver to Purchaser a copy of the Closing Statement showing the computation of the funds payable to Seller pursuant to this Agreement.
- (v) Furnish to Purchaser a non-Foreign Affidavit ("Affidavit") certifying that Seller is not a foreign corporation or person and covering certain other matters.
- (vi) Deliver possession of the Property to Purchaser free of all tenants and occupants.

b) At the Closing, Purchaser shall:

- (i) Pay the Purchase Price to Seller in accordance with the terms and conditions of this Agreement.
- (ii) Reimburse the Seller for the current real estate taxes attributable to Purchaser's period of ownership in accordance with Paragraph 2 herein.
- (iii) Execute and deliver to Seller a copy of the Closing Statement showing the computation of the funds payable to Seller pursuant to this Agreement.
- (iv) Execute and deliver a Property Transfer Affidavit.

Seller and Purchaser each agree to execute and/or deliver such other agreements, documents and instruments and to take such other actions as may be reasonably requested by the other party to carry out the provisions and intent of this Agreement.

11) Condemnation: If, after the execution of this Agreement and prior to Closing, the Property shall be subject to a total taking, by eminent domain, inverse condemnation or otherwise, or in the event that a portion of the Property shall be subjected to such taking, Purchaser may, at its sole option, either: (i) rescind this Agreement, in which event Purchaser shall be entitled to the immediate refund of the entire Deposit, including any portion of the Extension Deposit that is non-refundable under Section 5(b), and the parties hereto shall be relieved of all obligations hereunder; or (ii) elect to proceed to Closing, in which event Purchaser shall be entitled to participate in any such condemnation or eminent domain proceedings and to receive all of the proceeds attributable to any portion of the Property. Seller and Purchaser agree to promptly forward to the other any notice of intent received of a taking of all or a portion of the Property.

12) Seller Default: In the event of any default hereunder by Seller, Purchaser shall have the right to terminate this Agreement by written notice to Seller and receive an immediate refund of its entire Deposit, including any portion of the Extension Deposit that is non-refundable under Section 5(b), and/or obtain such other remedies as may be available under Michigan law or equitable principles.

13) Purchaser Default: In the event of any default hereunder by Purchaser, Seller shall have the right to terminate this Agreement by written notice to Purchaser and shall be entitled to retain the Deposit as liquidated damages as Seller's sole and exclusive remedy against Purchaser.

14) Notices: Any communication given ("Notice") shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, with postage and fees prepaid, or sent by a nationally recognized overnight carrier to the recipients address set forth herein, or by fax with an original notice also sent by way of the one of the above referenced methods. Any party may, by notice given, change its address for any subsequent notice. Any notice delivered by either party under this paragraph shall be effective on the earlier of the date of actual delivery or two (2) business days after mailing.

If to Seller:

City of Ann Arbor
Attn: Stephen K. Postema, Esq.
301 East Huron
Ann Arbor, MI 48107

If to Purchaser:

Hughes Acquisition, LLC
Attn: Mr. Ronald L. Hughes
30100 Telegraph, Suite 218
Bingham Farms, MI 48025

With a Copy to:

With a Copy to:

Shapack Gurrola PLC
Attn: Richard A. Shapack, Esq.
4190 Telegraph Road, Suite 3300
Bloomfield Hills, MI 48302

15) Applicable Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to principles of conflicts of law.

16) Entire Agreement: This Agreement embodies the entire understanding by and between the parties and may not be amended, except by an instrument in writing executed by the parties.

17) Severability: Whenever possible, each provision of this Agreement and all related documents shall be interpreted in such a manner as to make the provision effective and valid under applicable law. If applicable law prohibits or invalidates any provision of this Agreement, the provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of

this Agreement, unless the removal or alteration of that provision substantially defeats the basic intent of this Agreement.

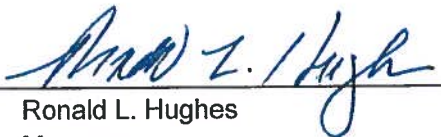
- 18) Assignability:** Purchaser shall be permitted to assign this Agreement and all of its rights, title and interest, as purchaser. This Agreement shall be binding upon the parties thereto and their respective administrators, successors and assigns.
- 19) Brokerage:** Both Seller and Purchaser acknowledge that Colliers International is acting as agent for the Seller ("Seller's Agent") and Ronald L. Hughes of Liberty Realty Partners, LLC is acting as agent for the Purchaser ("Purchaser's Agent"). Seller and Purchaser agree that there are no commissions due on the sale of the Property, except for a commission which shall be paid to Colliers International by the Seller at the time of closing which commission shall be shared with Liberty Realty Partners, LLC pursuant to an agreement between Colliers International and Liberty Realty Partners, LLC. Each party agrees to indemnify each other against loss or damage by reason of a breach of the foregoing representation.
- 20) Land Divisions:** The warranty deed by which the Property is conveyed shall include the conveyance of all available land divisions under the Michigan Land Division Act, being Act No. 288 of the Public Acts, as amended.
- 21) Acceptance:** The failure of Seller to execute this Agreement in duplicate and return fully executed copies to Purchaser before 5:00 p.m. Eastern Time, on October 31, 2013 at shall cause this OFFER TO PURCHASE REAL ESTATE to become null, void and of no effect.
- 22) Authority:** This Agreement has been fully authorized, executed and delivered by Seller and is valid, binding upon and enforceable against Seller, which has full power and authority to convey the Property to Purchaser in accordance with and to perform its obligations under this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Seller and Purchaser have executed and delivered this Agreement as of the day and year set forth below:

PURCHASER:

HUGHES ACQUISITION, LLC
a Michigan limited liability company
ON BEHALF OF AN ENTITY TO BE FORMED

By: 
Ronald L. Hughes
Its: Manager
Date: October 18, 2013

SELLER:

CITY OF ANN ARBOR
a Michigan municipal corporation

By: _____
Its: _____
Date: October ____, 2013

The undersigned hereby acknowledges receipt of Purchaser's Deposit of One Hundred Thousand (\$100,000) Dollars and agrees to hold and disburse the Deposit in accordance with the terms and conditions of the foregoing Agreement.

ABSOLUTE TITLE COMPANY

By: _____
Its: _____
Date: October ____, 2013

Opus Offer

20600 Chagrin Blvd., Suite 705, Shaker Heights, OH 44122



9700 Higgins Road, Suite 900 | Rosemont, IL 60018

P: 847-692-4444 | F: 847-318-1618

October 18, 2013

[Revised – Replaces Letter Dated 10/4/2013]

City of Ann Arbor
c/o James H. Chaconas, CCIM
Colliers International
400 E. Washington Street,
Ann Arbor, MI 48104

Re: 350 S. 5th Street, Ann Arbor

Dear Jim:

We are pleased to present this outline of the terms and conditions upon which affiliates of Smart Hotels LLC and Opus Development Company, L.L.C. (“Purchaser”) propose to purchase the former Y Site (“Property”). This letter replaces the earlier submittal dated October 4, 2013.

The proposed terms are as follows:

1. **Property:** As used in this letter, the term “Property” refers to the rectangular-shaped parcel owned by the City of Ann Arbor (“Seller”) containing 34,848 SF, bounded by E. William Street on the South, 5th Street on the East, 4th street on the West and includes 350 W. 5th Avenue, Ann Arbor, MI and all rights and appurtenances whatsoever relating.
2. **Price:** The purchase price for the Property (the “Purchase Price”) shall be **FIVE MILLION TWO HUNDRED THOUSAND DOLLARS (\$5,200,000)**, plus or minus typical prorations.
3. **Assumptions and Contingencies:** Purchaser’s offer assumes and is contingent on the following:
 - A. **Utilities:** City to ensure all required public utilities with sufficient capacity to serve the project are available adjacent to the site from active, fully functioning lines;
 - B. **Setback:** Zero-lot line, except for service drive/setback at North limited to: (1) $\leq 30'$ off northern lot line and (2) first-floor only ($\leq 16'$ above grade); curb cut for hotel drop-off/check-in
 - C. **Parking:** Satisfactory off-site parking in Library Lane and 4th/William public garages made available to Purchaser, its tenants, customers, guests and invitees –terms TBD;
 - D. **Uses/Density:** 700% FAR – (1) Apartment – at least 130 market-rate units; (2) Hotel – at least 120 Guestrooms; (3) Retail;
 - E. **90-day Diligence Period:**
 - (1) Geotechnical – No soil/foundation cost premiums anticipated
 - (2) Environmental – Clean site anticipated

Y Site Offer Letter

October 18, 2013

[replaces letter dated 10/4/2013]

Page 2

- (3) Title/Survey – Seller to convey to Purchaser unencumbered fee simple title to the Property, to comprise two tax parcels, the dimensions and configuration of which shall be specified by Purchaser.
- F. Approvals/Permits: Within 180 days after Diligence Period with two 60-day extensions solely for purposes of achieving requisite Approvals.
4. Purchase Agreement: Seller and Purchaser would negotiate a definitive purchase agreement in form and substance satisfactory to each of them (the “Purchase Agreement”) with a targeted execution date of November 29, 2013. If either of the following events should occur, then this letter shall terminate and, except for the obligations set forth in Section 7 below, neither party shall have any further rights or obligations hereunder:
- (A) Within ten (10) business days of the date of this revised letter, Seller shall not have notified Purchaser in writing that the terms set forth in this letter are acceptable to Seller; or
- (B) The Purchase Agreement shall not be executed by both Seller and Purchaser by 12/31/2013.
5. Earnest Money: Purchaser would deposit in escrow with the title company earnest money of \$100,000 within five (5) business days after Seller delivers to Purchaser Seller’s written acceptance of the terms of this letter. Earnest money goes “hard” after the Diligence Period; refunded if Purchase Agreement not executed by specified date or contract terminated by end of Diligence Period.
6. Colliers International is Seller’s agent; Purchaser is represented by Peter Allen & Associates. We understand Seller will pay commission with 50/50 split to Seller’s and Purchaser’s brokers.
7. Confidentiality: The parties shall hold all information concerning this transaction in confidence to the extent permitted by law. The foregoing restrictions shall not apply to disclosures of information required by law or court order, or to information concerning the Property that is available to the general public other than through the disclosure by the Purchaser or its agents in violation of this letter.

Except for the obligations set forth in Section 7 above, this letter is not intended to create, and shall not create, any legally binding obligation on the Seller or the Purchaser (including, without limitation, any obligation to enter into the Purchase Agreement), and neither the Purchaser nor the Seller will be legally bound in any manner unless they each, acting in their sole discretion, elect to execute and deliver the Purchase Agreement. No negotiations, course of dealings or other circumstances shall obligate the Seller or Purchaser to enter into the Purchase Agreement. Either the Purchaser or the Seller has the right to terminate discussions or negotiations at any time and for any reason.

If Seller wishes to proceed in accordance with the above terms, it should please accept the terms of this letter by written notice to Purchaser delivered within ten (10) business days from the date set forth above; otherwise, this letter shall automatically terminate.

Y Site Offer Letter
October 18, 2013
[replaces letter dated 10/4/2013]
Page 3

SMART HOTELS LLC



By: Ed Small
President, Smart Hotels LLC
esmall@smarthotelsgroup.com
(216) 533-0500

cc: Jon Adams, Smart Hotels LLC
Kevin Mahaney, The Olympia Companies

OPUS DEVELOPMENT COMPANY, L.L.C.



By: Sean T. Spellman
Vice President and General Manager
sean.spellman@opus-group.com
(847) 318-1619

Accepted:

By: _____
Name: _____
Title: _____
Date: _____

Mucha Offer



Morningside Equities Group, Inc.
2723 State Street, Suite 150
Ann Arbor, MI 48104
O | 734.794.4869
F | 734.794.4701
M | 312.804.2134
RMucha@MorningsideUSA.com

October 18, 2013

Mr. James H. Chaconas
Vice President
Colliers International
400 East Washington Street
Ann Arbor, MI 48104
VIA E-MAIL: jim.chaconas@colliers.com

Re: 350 South 5th Avenue, Ann Arbor, MI 48104

Dear Jim:

Thank you for the invitation to submit this letter of intent for acquisition of the above-referenced property. Utilizing the information that you provided, we prepared a mixed-use development concept that maximizes the property's value. Our concept does not include student housing.

Morningside's experience in Ann Arbor dates back to 2003, when we developed the highly successful Liberty Lofts project, which combines 68 residences with 19,000-sf of commercial space which is leased to the University of Michigan. Over the years, Morningside has forged positive relationships with Ann Arbor staff, elected officials, and stakeholders.

Based in Chicago with a Michigan regional office in Ann Arbor, Morningside specializes in the creation of mixed-use and multi-family developments throughout the Midwest and has developed over \$700 million of residential and commercial real estate for affiliated entities. The common threads of these projects include midrise/mixed-use buildings, urban infill locations, technically complex entitlements, and public/private partnerships. Construction is nearing completion of our latest development, a 306-unit multifamily building in downtown Wheaton, Illinois. In the months ahead, we will break ground on a \$120 million mixed-use development in Northbrook, Illinois. You can learn more about Morningside and view our entire portfolio of completed projects at MorningsideUSA.com.

Morningside Equities Group, Inc. or its affiliated assignee ("Purchaser") is prepared to acquire the Property (as defined below) from the City of Ann Arbor ("Seller"), under the following terms and conditions:

- Property:** An approximately 0.8-acre site identified on the plat map as PIN 09-09-29-404-001, on an as-is where-is basis with all faults ("Property"). All portions of the property will be vacant and not subject to any lease at the time of closing.
- Purchase Price:** Four million two hundred thousand (\$4,200,000) dollars to be paid in cash at closing (plus or minus prorations), and the Property will be free and of all liens and encumbrances except permitted exceptions as described in the Contract.
- Earnest Money:** An earnest money deposit of one hundred and five thousand (\$105,000) dollars will be deposited in escrow upon mutual execution of the Contract ("Earnest Money"). If the Purchaser elects to proceed following the Investigation Period (as defined below), an additional one hundred and five thousand (\$105,000) dollars will be deposited in escrow.
- Investigation Period:** Purchaser will have sixty (60) days from delivery of all documents required under the Contract, to conduct a due diligence investigation ("Investigation Period"). The investigation will include examination of leases, title, survey, property records, engineering and environmental studies, etc. Seller agrees to cooperate with Purchaser and its agents and provide reasonable access to the Property and all relevant documents necessary to complete this investigation. During the Investigation Period, Purchaser may elect, at its sole discretion, not to proceed with the purchase of the Property, in which event the Earnest Money deposit will be returned to Purchaser.
- Municipal Approval:** Immediately following the Investigation Period, the Purchaser will commence and thereafter diligently pursue the necessary zoning approvals for Purchaser's proposed development plan. Purchaser may terminate the Contract and receive remittance of its Earnest Money if, for any reason, Purchaser has not obtained all necessary zoning permits and municipal approvals to Purchaser's satisfaction (excluding building permits and the like) on or before one hundred eighty (180) days following the Investigation Period ("Municipal Approval Period"). Seller agrees to fully cooperate with Purchaser, as Purchaser shall reasonably require, during the Municipal Approval process. Seller may unilaterally terminate the Contract, if at any time, Purchaser is not diligently pursuing the necessary municipal approvals.


- Closing:** Closing will occur thirty (30) days following the end of the Municipal Approval Period ("Closing"), at which time Seller will deliver to Purchaser a general warranty deed conveying title to the Property free and clear of all mortgages and liens and also an assignment of Seller's interest in any and all leases, agreements, architectural and engineering plans, studies, surveys, service contracts, governmental approvals, personal property, and other similar items relative to the Property. Seller will provide an extended coverage title insurance policy with zoning 3.1, survey, access, creditor's rights, utilities, owner's comprehensive, PIN, contiguity, and other endorsements as Purchaser shall reasonably require. Seller shall provide an ALTA improvement survey (certified to Purchaser, title company, and lender(s)) and pay for deed transfer, transfer taxes, and one-half (1/2) of any escrow fees. Real estate taxes and other standard prorations will be apportioned to Closing on an accrual basis.
- Broker:** Purchaser and Seller acknowledge that Colliers International is the sole broker utilized in this transaction ("Broker"). All costs associated with Broker, including commissions and fees, are to be paid solely by the Seller. Seller agrees to indemnify Purchaser from any claim made by the Broker.
- No Shop:** Seller hereby acknowledges that Purchaser will incur significant expenses in connection with negotiating the Contract and conducting Purchaser's due diligence review of the Property. In order to protect Purchaser from actual damage, Seller agrees that, while under contract, Seller shall terminate all negotiations with any other parties concerning the Property and shall not negotiate or enter into any contracts, leases or agreements to sell, lease, or otherwise convey possession of the Property, or any portion thereof or interest therein, to any other party. Further, while under contract, Seller shall not commit, agree to or acquiesce in any act which could, in any way, affect or impair Purchaser's intended use of the Property, including, but not limited to contracting for services that run with the land or property improvements.
- Purchase Agreement:** Seller shall deliver to Purchaser an agreement of purchase and sale ("Contract") within ten (10) days of acceptance of this letter containing customary representations, warranties, and covenants, among other items. In the event Purchaser and Seller have not fully executed the Contract within thirty (30) days thereafter, all provisions of this letter will be considered null and void.

Mr. Jim Chaconas
October 4, 2013
Page 4 of 4

Unless previously accepted and delivered to the offices of the Purchaser (whether by hard copy, e-mail, or fax), this offer expires on **Friday, October 25, 2013 at 5:00 p.m.** (EDT). Purchaser and Seller agree that this proposal constitutes a letter of intent only and not a binding agreement. Both parties agree to work diligently and in good faith towards execution of the Contract that will set forth the complete terms of this transaction.

We look forward to consummating a mutually beneficial transaction with the City of Ann Arbor.

Very truly yours,
MORNINGSIDE EQUITIES GROUP, INC.



Ronald S. Mucha
Senior Vice President

cc: David M. Strosberg, Morningside

Accepted by:
CITY OF ANN ARBOR

Signature

Date

Printed Name

Title

COLLIERS INTERNATIONAL