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PURCHASE AGREEMENT

REAL PROPERTY

This agreement is between the City of Ann Arbor, a Michigan municipal corporation with offices at 301 E. Huron St., Ann Arbor, Michigan 48104 ("Purchaser") and Richard L. Smith and Susanne L. Smith, husband and wife, whose address is 20026 Edgewood Ave., Livonia, MI 48152 ("Seller").

Purchaser and Seller agree as follows:

1. **Effective Date.** The effective date of this agreement shall be the date that all parties have signed.

2. **Real Property.** Seller states that they are the fee owner of vacant real property located in the City of Ann Arbor, Washtenaw County, Michigan, commonly known as 2725 Kimberley Road, Ann Arbor, Michigan 48104 and described on the attached **Exhibit A** ("Property"), and that the Property is for sale. Purchaser shall purchase from Seller and Seller shall sell to Purchaser the Property under the terms of this agreement.

3. **Purchase Price.** The purchase price for the Property is $197,000.00 (the "Purchase Price), which shall be paid in a lump sum at closing. Purchaser may terminate this agreement if Seller does not comply with requirements related to the Property.

4. **Title.** At the closing, Seller shall convey good and marketable title to the Property to Purchaser, free of all mortgages, liens, easements, or restrictions, except for public right-of-way and such other encumbrances or exceptions to title, whether shown on the title commitment, survey, or otherwise known, that are acceptable to Purchaser in its sole discretion ("Permitted Exceptions"). As evidence of Seller's title, Purchaser shall, within 60 days after the effective date of this agreement, provide to Seller a commitment from a title company selected by Purchaser to issue a title insurance policy insuring Purchaser for at least the amount of the Purchase Price without the standard exceptions ("Title Commitment"). Purchaser may elect the form of Title Commitment and may use the latest form approved by the American Land Title Association ("ALTA") for the State of Michigan and require that it not contain the standard printed exceptions. The Title Commitment must show good and marketable title to the Property to be in Seller's name, subject only to Permitted Exceptions and the requirements to be satisfied set forth in the Title Commitment. Seller shall not place or permit any third party to place any additional liens, easements, restrictions, claims, or encumbrances on or against the Property following the effective date of this agreement unless consented to by Purchaser in writing. Seller shall satisfy the requirements set forth in the Title Commitment at or before the closing.

5. **Survey.** Purchaser may, at Purchaser's expense, obtain one or more surveys of the Property ("Survey"), which may include ALTA/NSPS surveys in Purchaser's discretion. Purchaser shall promptly provide a copy of the Survey to Seller upon request of the Seller. Purchaser may elect to have the Survey certified to Purchaser, Seller, and the title company that will insure the purchase.

6. **Due Diligence; Access Prior to Closing.**

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(a) Prior to closing, Purchaser, its consultants, contractors, surveyors, or other agents (collectively, "Agents") may, upon advance notice and at times agreed to by Seller, enter the Property to perform one or more appraisals, surveys, environmental reports, baseline reports, physical inspections, trash inspections, and other due diligence contemplated by this agreement ("Due Diligence"). Seller shall cooperate with Purchaser and its Agents to timely and accurately complete all Due Diligence.

(b) Purchaser shall use reasonable efforts to minimize disturbance of the Property. Other than normal wear and tear, if any portion of the Property is disturbed or damaged by Purchaser or its Agent's Due Diligence, Purchaser shall be responsible for restoring the disturbed or damaged portion to the same condition existing prior to the disturbance or damage to the extent reasonably practicable.

7. Environmental Assessment.

(a) Purchaser may conduct one or more environmental assessments of the Property, including Phase I or Phase II Environmental Site Assessments ("ESA") or Baseline Environmental Assessments, and may collect samples of soil, groundwater, air, or other matter on the Property. If any environmental assessment or testing discloses any recognized environmental condition ("REC") or other environmental hazard that Purchaser deems will impair the purpose or use of the Property, Purchaser may terminate this agreement.

(b) Purchaser shall pay the cost of all Phase I ESAs. If Purchaser desires or is required to perform additional environmental testing based on any finding or recommendation in a Phase I ESA in connection with a REC, Purchaser shall prepare a written synopsis of the scope of the additional environmental testing ("Environmental Testing Work Plan Report"), which Purchaser shall provide to Seller along with a copy of the Phase I ESA. After receipt and review of the Environmental Testing Work Plan Report and Phase I ESA, Seller shall either (1) acknowledge Seller's continued interest in the sale of the Property subject to the results of the additional testing or (2) terminate this agreement. If Seller acknowledges their continued interest in the sale of the Property, Seller shall be responsible for the cost of all additional environmental testing in connection with any REC, unless otherwise agreed to in writing by Purchaser. Purchaser may postpone the closing for a reasonable period of time for the purpose of conducting additional testing. Purchaser shall provide copies of all additional testing reports to Seller.

(c) If the parties elect to proceed to closing and any environmental assessment shows that environmental contamination exists at the Property at the time of purchase that is above residential cleanup criteria issued by the Michigan Department of Environmental Quality or its successor and that removal or some other type of remediation is required by law ("Contamination"), Seller shall sign any required Hazardous Waste Disposal Manifest or other regulatory documentation necessary under hazardous material laws to achieve proper disposal of the Contamination. Seller shall pay the costs of all legally required remediation, removal, or disposal of the Contamination.

(d) All completed environmental assessments shall be delivered to Purchaser and be the property of Purchaser. To the extent permitted by law, Purchaser shall restrict disclosure of the results to City employees and Agents until the closing or termination of this agreement. Seller acknowledges that Purchaser must comply with applicable record retention and disclosure laws.

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8. **Defects.** Purchaser shall notify Seller if the Title Commitment, Survey, Environmental Assessment, or other Due Diligence shows, or Purchaser otherwise becomes aware of, any issue potentially affecting title to the Property or that in Purchaser's judgment could interfere with the purpose or intended use of the Property ("Defect"). Within 30 days after receiving a notice of a Defect from Purchaser, Seller shall either (1) at Seller's expense, remove or correct the Defect or (2) notify Purchaser in writing that Seller has elected not to cure the Defect. Purchaser may extend the time by which Seller must cure the Defect. If Seller fails to cure all Defects or satisfy all requirements set forth in the Title Commitment, Purchaser may (1) waive any Defect or requirement and proceed with the closing, (2) reschedule the closing and notify Seller of a date, selected by Purchaser, by which Seller must cure remaining Defects or satisfy remaining requirements, or (3) terminate this agreement.

9. **Seller's Documents.**

   (a) Within five business days after the effective date of this agreement, Seller shall provide Purchaser with all of the following (collectively, "Seller Documents"):

      (1) Documentation showing all taxing and assessing authorities to which taxes or assessments are paid by reason of ownership of the Property and each authority's current assessed valuation of and tax rate for the Property.

      (2) Documentation showing all pending tax exemptions and abatements affecting the Property, and the terms, amounts, and bases thereof.

      (3) Documentation showing all assessments due for the Property, including all assessments that have become a lien on the Property or which Seller knows are in default.

      (4) All title policies pertaining to and surveys of the Property

      (5) All environmental reports pertaining to the Property.

      (6) All notices that Seller has received from a governmental entity in connection with the use and operation of the Property including wetland and fill permits and zoning variances.

      (7) All leases of any part of the Property that are currently in effect or will be in effect in the future, including unexercised lease options.

   (b) Any Seller Document not in Seller's possession or control upon Seller's execution of this agreement, but which comes into Seller's possession or control prior to closing, shall be delivered to Purchaser as soon as possible prior to the closing. If Seller does not possess a Seller Document referenced but has knowledge of its existence, Seller shall disclose to the full extent of Seller's knowledge the information contained in the document or the whereabouts of the document and assist Purchaser in obtaining the document.

10. **Seller's Statements.** Seller states that all of the following are true:

   (a) To Seller's knowledge, the Property is and has been owned, used, and operated in compliance with all applicable federal, state, and local laws and regulations related to air

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quality, water quality, waste disposal or management, hazardous substances, and the protection of health and the environment. Seller has received no written notice that any environmental contamination was ever present on the Property.

(b) To Seller's knowledge, there are no pending or threatened claims, litigation, proceedings, inquiries, investigations, or disputes relating to the Property that could affect Seller's ability to perform this agreement or cause liability to accrue to Purchaser as a buyer or owner of the Property.

(c) To Seller's knowledge, with respect to the Property there are no unrecorded water, mineral, oil, or gas rights; no unrecorded easements, restrictions, agreements, covenants, or encumbrances; and no currently existing claims of easement, boundary line disputes, gaps, encroachments, or overlaps.

(d) Seller's execution and performance of this agreement does not violate any contract, document, agreement, instrument, law, regulation, permit, ordinance, order, or other legal requirement to which Seller is a party or by which Seller or the Property is bound. Seller's property is available for sale and Seller's execution and performance of this agreement is voluntary and does not require the consent of any third party.

(e) Seller has reviewed this agreement, had an opportunity to retain an attorney of their choice to review this agreement, and has entered into this agreement with a full understanding of its obligations.

(f) If Seller becomes aware that any of the statements Seller has made in this agreement are not or may not be true, Seller shall immediately provide Purchaser with a description of the true conditions, to the best of Seller's knowledge, and a copy of all supporting documentation.

(g) All Seller's statements set forth in this agreement shall be deemed to have been made again by Seller at the time of closing.

11. **Purchaser's Statements.** Purchaser states that it is a governmental unit of the State of Michigan with the power and authority to enter into this agreement and that all necessary corporate action has been taken to authorize the execution and delivery of this agreement.

12. **Contingencies.** Purchaser's obligation to complete the purchase of the Property is contingent upon all of the following:

(a) Seller's compliance with all obligations in this agreement.

(b) A Title Commitment approved by Purchaser.

(c) Approval of the purchase by the Ann Arbor City Council.

13. **Pre-Closing Obligations of Seller.** Prior to closing, Seller shall do all of the following:

(a) Make all reasonable efforts to maintain the Property in good condition and repair, normal wear and tear excepted.

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(b) Pay all taxes and special assessments that are due and payable on the Property.

(c) Comply with all Seller's legal obligations affecting the Property except to the extent Seller is contesting the obligations in good faith.

(d) Take all necessary actions to remove any trash, debris, or other waste material on the Property.

14. **Property Taxes and Assessments.** All taxes and assessments on the Property or which otherwise relate to the Property shall be the responsibility of Seller. All taxes and assessments that are a lien upon the Property or which otherwise relate to the Property and are due and payable at closing shall be paid before or at closing by Seller or from Seller's proceeds. Taxes will be prorated as if paid in advance, based on the due date of the taxing authority, and based on a 30-day month, 360-day year.

15. **Other Tax and Financial Implications.** Seller is responsible for obtaining their own professional legal and financial advice regarding this transaction. If any portion of the land value is donated or discounted below fair market value and Seller intends to claim a charitable deduction under state or federal tax law, Seller is responsible for compliance with all federal and state tax rules, and Seller shall bear all costs related to claiming such a deduction, including the cost of all appraisals used to substantiate the gift. Purchaser cannot guarantee and makes no representation as to (1) whether a particular donation of land or a conservation easement will be deductible; (2) what monetary value of the donation the IRS or state will accept; or (3) what the resulting tax benefits will be, if any. Seller acknowledges that representations of Purchaser, its agents, or subcontractors as to the tax treatment or financial implications of this transaction are intended to be informational only and that it is Seller's obligation to seek independent professional advice regarding any proposed course of action.

16. **Additional Terms. 1031 Exchange.** Purchaser acknowledges that Seller may have the option to qualify this transaction as part of a tax-deferred exchange under Section 1031 of the Internal Revenue Code. Purchaser agrees to cooperate, as necessary, with Seller in order to complete such an exchange, which Seller shall ensure neither delays the closing nor causes expense or liability to Purchaser.

17. **Closing.** Seller and purchaser to close with United Alliance Title, a joint venture company with Devon Title Ann Arbor. United Alliance Title to supply all title work and closing services on subject property.

RLS 09/26/26

SLS 09/26/26 11:39 AM EDT dotloop verified

(a) The closing shall take place as soon as reasonably possible following the satisfaction of the conditions in this agreement on a date selected by Purchaser and agreed to by Seller, but no later than December 31, 2026.

(b) At closing, Seller shall execute and deliver all of the following:

(1) A warranty deed in recordable form, including conveyance of all permitted land divisions under Michigan Land Decision Act and other applicable law.

(2) A closing statement setting forth the purchase price, closing adjustments, and disbursements.

(3) An affidavit in the form prescribed by the title company for the removal of its standard printed exceptions and inclusion of any applicable endorsements.

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(4) Any other document reasonably necessary or legally required to complete and evidence the purchase or to establish that the Property is free and clear of all liens and encumbrances other than exceptions permitted by Purchaser, or to comply with local, state, or federal requirements.

(c) Seller shall pay at closing all recording and filing costs in connection with curing its title to the Property. In the event any broker commission is claimed or due, Seller shall pay all broker commissions. Seller shall be responsible for their own attorney fees in connection with performing Seller's obligations under this agreement.

(d) At closing, Purchaser shall execute or deliver, as appropriate, all of the following:

(1) The Purchase Price, reduced at Purchaser's option by the amount of any unpaid transaction costs that are the Seller's responsibility, and other charges under this agreement.

(2) A closing statement setting forth the Purchase Price, closing adjustments, and disbursements.

(3) A resolution of the Ann Arbor City Council authorizing purchase of the Property.

(4) Any other document reasonably necessary or legally required to evidence the authority to purchase or to comply with local, state, or federal requirements.

(e) Purchaser shall pay for title insurance, all recording and filing costs necessary to record the warranty deed, and all other closing costs not specifically incurred by Seller incident to sale of the Property.

18. Miscellaneous.

(a) This agreement shall bind and benefit Seller, Purchaser, and their respective successors and assigns.

(b) All notices under this agreement shall be in writing and will be deemed given (1) when delivered personally; (2) when sent by confirmed facsimile or e-mail with delivery receipt received; (3) five days after having been sent by registered or certified mail, restricted delivery, return receipt requested, postage prepaid; or (4) one day after deposit for overnight delivery with a commercial overnight carrier, with written verification of receipt. All communications will be sent to the following addresses or another address designated in writing by Seller or Purchaser:

Seller: Richard L. Smith and Susanne L. Smith
20026 Edgewood Ave.
Livonia, MI 48152

With a copy to:

Key Realty One, LLC
Attn: Deborah Collingridge
3025 Boardwalk Drive, Suite 100
Ann Arbor, MI 48108

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City: City of Ann Arbor
Attn: Public Services - Skye Stewart
301 E. Huron St.
Ann Arbor, Michigan 48104

With a copy to:

City of Ann Arbor
City Attorney's Office - Timothy S. Wilhelm
301 E. Huron Street
Ann Arbor, MI 48104
twilhelm@a2gov.org

(c) This agreement shall be governed by the laws of the State of Michigan.

(d) Until delivery of deed, risk of loss or damage to the Property and all liability to third persons shall, except as otherwise expressly provided herein, be borne by Seller.

(e) A party may waive all or part performance by the other party of any obligation under this agreement by a writing signed by the waiving party. Such a waiver shall not be construed as a waiver of any preceding or succeeding performance of any obligation.

(f) Headings of this agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this agreement.

(g) This agreement may not be amended, altered, or modified except in writing signed by the parties.

(h) If any provision of this agreement is determined by a court of competent jurisdiction to be invalid, either party may terminate this agreement within seven days of the determination, otherwise the remainder of the agreement shall remain in force.

(i) This agreement contains all of the obligations and statements by Seller and Purchaser to one another and expresses the entire understanding between the Seller and Purchaser with respect to the purchase of the Property. All prior and contemporaneous communications concerning the purchase are merged in and replaced by this agreement.

(j) Purchaser shall not assume any liabilities of Seller by execution of this agreement.

(k) In the event of a breach by a party, the other party may terminate this agreement by notice to the breaching party.

(l) The prevailing party shall have the right to collect from the other party its reasonable costs and attorney fees incurred in enforcing this agreement or in an action for damages arising out of breach of this agreement or any false statement, misrepresentation, or breach of warranty under this agreement.

(Signatures on following page)

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SELLER

Richard L. Smith

By: Richard L Smith dotloop verified 09/26/26 11:07 AM EDT TGAF-NBBW-ZHOK-JIYA

(Date)

Susanne L. Smith

By: Susanne L Smith dotloop verified 09/26/26 11:39 AM EDT RO0Q-GWHU-QZXD-M86I

(Date)

(Signatures continue on following page)

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PURCHASER

CITY OF ANN ARBOR

By: _____
Christopher Taylor, Mayor (Date)

By: _____
Jacqueline Beaudry, City Clerk (Date)

Approved by:

_____
Milton Dohoney Jr. (Date)
City Administrator

_____
Jordan Roberts (Date)
Public Services Area Administrator

_____
Atleen Kaur (Date)
City Attorney

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EXHIBIT A
LEGAL DESCRIPTION

REAL PROPERTY

Lot 34, Kimberley Hills, a subdivision in the City of Ann Arbor, Washtenaw County, Michigan, according to the plat thereof recorded in Liber 5 of Plats, Page 32, Washtenaw County Records.

Tax Parcel No. 09-12-03-305-069