

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2020 (the "Effective Date"), by and between **SENIOR CITIZENS HOUSING OF ANN ARBOR, INCORPORATED**, a Michigan nonprofit corporation ("Seller"), which has an address of 600 West Huron Street, Ann Arbor, MI 48103, and **ANN ARBOR AFFORDABLE HOUSING CORPORATION**, a Michigan nonprofit corporation, whose address is 2000 S. Industrial, Ann Arbor MI 48104 ("Purchaser").

### RECITALS

A. Seller owns that certain real property and improvements commonly known as "Lurie Terrace Senior Apartments", located in the City of Ann Arbor, County of Washtenaw, State of Michigan, and more particularly described on Exhibit "A" attached hereto (the "Real Property").

B. Purchaser is a nonprofit corporation formed for the purpose of acquiring the Real Property by the Ann Arbor Housing Commission, a public housing commission, created by the City of Ann Arbor, a Michigan municipal corporation, pursuant to the provisions of MCL 125.651 et. seq., as amended.

C. Seller desires to sell and convey to Purchaser, and Purchaser desires to purchase from Seller the Property (as defined below). Such purchase and sale shall be financed pursuant to Section 223(f) HUD Financing, and shall maintain the status of the Property as affordable senior housing, each as further described below.

NOW, THEREFORE, in consideration of the respective agreements hereinafter set forth, Seller and Purchaser agree as follows:

### ARTICLE I

#### PROPERTY TO BE SOLD AND CONVEYED

Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions set forth therein, the following:

1.01 Real Property. The Real Property.

1.02 Appurtenances. All rights, privileges and easements appurtenant to the Real Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Real Property, if owned by Seller, as well as all development rights, air rights, water, water rights and water stock relating to the Real Property and any other easements, rights-of-way or appurtenances used in connection with or reserved for the beneficial use and enjoyment of the Real Property (all of which are collectively referred to as the "Appurtenances").

1.03 Improvements. All improvements and fixtures located on the Real Property, including, without limitation, all buildings and structures presently located on the Real Property, all landscaping, all parking areas, all apparatus, equipment and appliances (but excluding laundry

washing and drying machines (which are not owned by Seller), all computer equipment, and such other personal property as may be owned by individual apartment occupants) used in connection with the operation or occupancy of the Real Property, such as heating and air conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, garbage disposal, recreation or other services on the Real Property (all of which are collectively referred to as the “Improvements”).

1.04 Personal Property. All appliances, furniture, fixtures, machinery, equipment, onsite computer, supplies and other personal property, including all other tangible property, located on the Real Property or in the Improvements and used in connection with the operation of the Improvements (all of which is collectively referred to as the “Personal Property”), excluding laundry washing and drying machines, all computer equipment, and such other personal property as may be owned by individual apartment occupants.

1.05 Intangible Property. All licenses, franchises, permits, contracts, warranties, guarantees, approvals (governmental or otherwise), certificates of occupancy, surveys, plans and specifications, trademarks or tradenames, copyrights, and any agreements, covenants or indemnifications that Seller received from a third-party, including any prior owner, but only to the extent relating to the Real Property, Appurtenances or Improvements (all of which is collectively referred to as the “Intangible Property”) and only to the extent such are transferrable in accordance with their terms and applicable law.

1.06 Leases. All tenant leases (the “Tenant Leases”) as reflected in the rent roll attached hereto as Exhibit “C” (the “Rent Roll”), rents and profits from and after the Closing (as hereinafter defined), and all security or tenant deposits and damage, pet and similar such deposits, whether or not refundable, together with interest required by law to be paid thereon.

All of the items referred to in subparagraphs 1.01, 1.02, 1.03, 1.04, 1.05, and 1.06 above are hereinafter collectively referred to as the “Property”.

## ARTICLE II

### PURCHASE PRICE

2.01 Purchase Price. The total purchase price (the “Purchase Price”) to be paid by the Purchaser for the Property shall be Four Million Fifty Thousand and 00/100 Dollars (\$4,050,000.00), which amount shall be adjusted for pro-rations provided for in Article VII below. The Purchase Price shall be paid in cash or by electronic transfer of good funds at Closing. The Earnest Money Deposit (as defined below) shall be credited against the Purchase Price at Closing.

## ARTICLE III

### DUE DILIGENCE PERIOD; HUD FINANCE PERIOD; TITLE AND SURVEY REVIEW

3.01 Due Diligence Period. Purchaser shall have a period of sixty (60) calendar days from the Effective Date (the “Due Diligence Period”) to satisfy itself as to the following matters as herein provided:

(a) Inspection. During the Due Diligence Period, Purchaser and its agents and representatives are permitted to: (i) conduct and make such non-invasive and non-intrusive feasibility studies to the Real Property as Purchaser deems reasonably necessary, including, but not limited to, engineering studies, zoning studies, structural and mechanical studies, sewer studies, a Phase I environmental assessment (ESA), radon, lead based paint assessment and asbestos assessment; and (ii) conduct and make any and all non-invasive and non-intrusive inspections of the Property, including a Phase II ESA if recommended by Purchaser's environmental consultant; (iii) obtain and review financial records relating to the operation of the Property; and (iv) review any and all tenant files and Tenant Leases. All costs for Purchaser's due diligence shall be paid by Purchaser. Purchaser shall conduct its due diligence activities during normal business hours, subject to the rights of tenants in possession, and in a manner which does not unreasonably interfere with or interrupt the operation of the Property. Neither Seller nor Purchaser shall identify Purchaser as a purchaser of the Property to any tenants of the Property or otherwise discuss its proposed acquisition of the Property with any tenants of the Property in any respect without the consent and approval of the other party. At Seller's request, Purchaser will schedule its due diligence activities at such times as Seller's representative(s) is available to observe such due diligence activities. During the Due Diligence Period, Seller agrees to coordinate and provide Purchaser and its respective agents with access to inspect each unit (vacant and occupied) on the Real Property. Seller and its agents shall reasonably cooperate, at Purchaser's sole cost and expense, with Purchaser in making such inspections and allow Purchaser full access to the Property for the purpose of such inspections during normal business hours, subject to the rights of tenants in possession, and provided that Purchaser does not unreasonably interfere with or interrupt the operation of the Property. Contemporaneously with or prior to the execution of this Agreement, Seller shall deliver to Purchaser all of the documents listed on Exhibit "D" attached hereto (the "Seller's Documents"). At Purchaser's request, Seller and Purchaser shall confirm the expiration date of the Due Diligence Period in writing.

(b) Invasive Testing. At all times during the presence of Purchaser or Purchaser's representatives on the Real Property and Improvements, Purchaser agrees that Purchaser will not allow, and Purchaser's representatives will not conduct, any physically invasive testing of, on, or under the Real Property or Improvements unless recommended by Purchaser's environmental consultant, in which case Purchaser shall provide Seller with prior written notice of any planned physically invasive testing. Purchaser agrees to return the Real Property and Improvements to substantially the same condition and cleanliness existing before entry and/or occupation by Purchaser's representatives, including, but not limited to, sealing wells or other similar subsurface investigations. Purchaser shall use reasonable efforts to minimize interference with Seller's and any tenants' use and occupancy of the Property. The persons or entities performing any tests and investigations on behalf of Purchaser shall be properly licensed and qualified and shall have obtained all appropriate permits therefor.

(c) Indemnification and Insurance. Except to the extent caused by Seller, its agents, employees, or representatives, Purchaser shall indemnify, defend and hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, caused by Purchaser or Purchaser's agents or representatives, which Seller may incur as a result of (a) any act or omission of Purchaser or its agents or representatives arising in connection with any tests or inspections conducted by Purchaser or its agents or representatives, or (b) the failure of Purchaser to restore the Property in accordance with the foregoing Section 3.01(b). The

foregoing shall survive termination of this Agreement or the Closing, as applicable. Furthermore, Purchaser shall, at its sole expense, keep and maintain a policy of comprehensive public liability insurance with a contractual liability endorsement that covers Purchaser's indemnity obligation set forth above. This insurance policy shall name Seller as an additional insured and afford protection in limits of not less than Two Million Dollars (\$2,000,000) for bodily injury or death in any one accident, and not less than Two Million Dollars (\$2,000,000) for property damage. All insurance shall be effected under standard form policies, issued by insurers of recognized responsibility authorized to do business in the state in which the Property is located as reasonably approved by Seller. Within three (3) Business Days after the Effective Date, Purchaser shall deliver to Seller certificates of such insurance coverage and, not less than thirty (30) days before the expiration of the policy, a certificate of the renewal of such coverage accompanied by evidence reasonably satisfactory to Seller of payment of premiums therefore. In addition, the insurance shall be primary, non-contributing, and contain a waiver of subrogation in favor of Seller.

(d) Due Diligence Termination Rights. If the Property is not acceptable to Purchaser for any reason or no reason, Purchaser shall have the right to terminate this Agreement, by delivery of written notice to Seller (the "Termination Notice") at any time on or before the expiration of the Due Diligence Period, in which event this Agreement shall be deemed terminated and of no further force or effect, and the Earnest Money Deposit shall be returned to Purchaser, and neither Purchaser nor Seller shall have any further rights, duties, liabilities or obligations to the other by reason thereof. In the event that Purchaser does not deliver the Termination Notice to Seller prior to the expiration of the Due Diligence Period, this transaction shall proceed to Closing, subject to the other terms and conditions of this Agreement.

3.02 HUD Finance Period. Seller acknowledges that Purchaser plans to obtain a loan from the U.S. Secretary of Housing and Urban Development through the Section 223(f), FHA-insured loan program ("HUD Financing"). Purchaser shall have sixty (60) days from the Effective Date (the "HUD Finance Period") to secure a written commitment for HUD Financing for the acquisition of the Property on terms and conditions acceptable to Purchaser (the "HUD Financing Commitment"); provided, however, that the HUD Finance Period shall be automatically extended for up to two (2) consecutive periods of thirty (30) days each if Purchaser has not received the HUD Financing Commitment prior to the then-current expiration of the HUD Finance Period. Purchaser shall keep Seller reasonably apprised of the status and timing of the HUD Financing Commitment, and will confirm via email to Seller in the event an automatic extension of the HUD Finance Period occurs, within five (5) days of such extension occurring; provided, however, that a failure to send such notice shall not invalidate or abrogate such automatic extension. In the event Purchaser has not secured the HUD Financing Commitment prior to the expiration of the HUD Finance Period (as same may be extended), Purchaser shall have the right to terminate this Agreement by delivery of written notice to Seller (the "HUD Financing Termination Notice") at any time on or before the expiration of the HUD Finance Period (as same may be extended), in which event this Agreement shall be deemed terminated and of no further force or effect, the Earnest Money Deposit shall be returned to Purchaser, and neither Purchaser nor Seller shall have any further rights, duties, liabilities or obligations to the other by reason thereof. In the event that Purchaser does not deliver the HUD Financing Termination Notice to Seller prior to the expiration of the HUD Finance Period (as same may be extended), the Earnest Money Deposit shall become non-refundable (except as otherwise provided in this Agreement) and this transaction shall proceed to Closing, subject to the other terms and conditions of this Agreement.

If Purchaser is delayed, restricted or constrained in its inspection of the Property or its attempt to obtain the HUD Financing due to the inability or unwillingness of its inspectors or consultants (including environmental consultants) to visit and inspect the Property or otherwise as a result of circumstances related to or arising out of the COVID 19 outbreak (including but not limited to Michigan Executive Order 2020-21 and any renewal, extension or amendment thereof (collectively, the “Stay At Home Order”)), then Purchaser may deliver written notice to Seller on or before the expiration of the Due Diligence Period or HUD Finance Period (as same may be extended) and the expiration of the such period shall be extended to the date that is thirty (30) days after the expiration of the Stay At Home Order (but in no event later than December 31, 2020).

### 3.03 Title and Survey Review.

(a) Title Commitment. Seller shall order, within three (3) Business Days after the Effective Date and at Seller’s expense, a commitment for an ALTA Owner’s Policy of Title Insurance (the “Title Commitment”) showing fee simple title to the Real Property in Seller, which Title Commitment shall be dated on or after the Effective Date, shall be effective through the Closing Date, and shall be issued by Absolute Title, Inc. (as agent for First American Title Insurance Company or another underwriter acceptable to Purchaser in its sole but reasonable discretion), 2875 W. Liberty Rd., Ann Arbor, Michigan 48103, Attn: Christy Perros, cperros@absolutetitleinc.com (the “Title Company”). Within three (3) Business Days after the Effective Date, Seller shall order from Title Company, to be provided to Purchaser, a customary closing protection letter from the Title Company.

(b) Existing Survey. Upon the execution of this Agreement, Seller shall deliver to Purchaser, a copy of Seller’s most recent survey of the Real Property and Improvements (the “Existing Survey”). Purchaser shall have the right, at its sole cost and expense, to update any Existing Survey or obtain its own ALTA/ACSM survey of the Real Property (the “Updated Survey”), in its discretion. Any Updated Survey shall be ordered by Purchaser, if at all, within seven (7) Business Days after the Effective Date.

(c) Defects in Title Commitment, Survey. Purchaser shall advise Seller within fifteen (15) days after actual receipt of the later of (i) the Title Commitment (which must include copies of all underlying title documents described in such Title Commitment) and (ii) the Updated Survey (if timely ordered), what exceptions to title, if any, will be accepted by Purchaser. Seller shall have ten (10) days after receipt of Purchaser’s objections to notify Purchaser in writing whether Seller will (x) cause the Title Company to remove any objectionable exceptions from title and provide Purchaser with evidence satisfactory to Purchaser of such removal on or before the Closing (which shall be deemed to be an additional Seller covenant under this Agreement) or (y) not remove such exceptions. As to any disapproved items which Seller elects not to remove or to cure, Purchaser shall have the right either (A) to waive such exceptions to title, and proceed to take title to the Real Property subject to such exceptions, without any deduction or offset in the Purchase Price, and without any cause of action against Seller, or (B) to terminate this Agreement by giving written notice of such termination to Seller, and to Title Company, and thereupon the Earnest Money Deposit shall be immediately refunded to Purchaser.

(d) Supplemental Exceptions. Purchaser may, prior to the Closing Date, notify Seller in writing of Purchaser’s objection to any exceptions to title (“Supplemental Exceptions”)

first raised by the Title Company after delivery of the Title Commitment and the Updated Survey. If Purchaser does not expressly object in writing to any Supplemental Exceptions prior to the Closing Date, then Purchaser shall be deemed to have approved any such Supplemental Exceptions. With respect to any objections to Supplemental Exceptions set forth in such notice, Seller shall have the same option to cure, and Purchaser shall have the same options to accept title subject to such matters or to terminate this Agreement as applicable to any notice of objections made by Purchaser pursuant to Section 3.03(c) above.

(e) Monetary and Voluntary Liens. In no event shall Purchaser have any obligation to object to any monetary liens affecting the Property, and prior to or upon the Closing Date, Seller agrees, without cost or liability to Purchaser, to pay, bond-off or otherwise induce the Title Company to remove all monetary liens, including without limitation, mortgage liens and construction liens, shown on the Title Commitment, such that such liens do not appear as exceptions on Purchaser's Title Policy (as hereafter defined). Further, Seller shall not incur any new debt secured by the Property following the Effective Date and shall be required to cause to be released, satisfied and removed of record as of the Closing Date any liens, easements, encumbrances, or other exceptions to title which have been voluntarily recorded or otherwise placed, or permitted to be placed, by Seller against the Property on or following the Effective Date.

(f) Affordable Housing Restriction. Seller acknowledges that on the Closing Date, Purchaser shall record a declaration of restrictive covenants (the "Declaration") restricting the use of the Property to affordable housing for seniors aged sixty-two (62) and older with household incomes for 40% of households at or below 60% of Area Median Income (AMI) as reported by the United States Department of Housing and Urban Development for the metropolitan statistical area that includes the City of Ann Arbor, Michigan ("Local AMI") and 60% of households at or below 80% of Local AMI. Notwithstanding the foregoing, any current residents of the Property shall be grandfathered in by the Declaration and shall be permitted to continue residing at the Property, notwithstanding their ineligibility pursuant to the age or income requirement of the Declaration. Purchaser shall provide Seller with the form and language of the Declaration incorporating the terms herein.

(g) Permitted Encumbrances. The exceptions in the Title Commitment or the Existing Survey which Purchaser has approved or deemed to have approved, including any exception for real property taxes and assessments for the current year, which are liens not yet due and payable, tenants in possession under unrecorded Tenant Leases, and any other exceptions directly or indirectly caused by Purchaser, are collectively referred to herein as the "Permitted Encumbrances."

(h) Title Policy. At Closing, Seller shall cause the Title Company to issue to Purchaser an owner's title insurance policy (or pro forma version of the title policy that will be issued as soon as possible following closing) for the Real Property (the "Title Policy"), effective through the date of recordation of the Deed (as defined below), without standard exceptions, subject only to the Permitted Encumbrances and otherwise consistent with the terms of Section 3.03. Notwithstanding the foregoing, Purchaser shall be responsible for delivery of the surveys necessary to delete the standard exceptions which require delivery of a current survey. The Title Policy also shall include such endorsements as Purchaser may require, provided that Purchaser shall be solely responsible for the cost of such endorsements, unless Seller has agreed to provide

such endorsement (and Purchaser has agreed to accept such endorsement) as a cure to an exception objected to by Purchaser under this Section 3.03.

## ARTICLE IV

### ITEMS TO BE DELIVERED BY SELLER AT CLOSING

At Closing, Seller agrees to deliver the following items to Purchaser or the Title Company, to be dated as of the Closing Date unless expressly agreed otherwise, the delivery and accuracy of which shall be a condition precedent to Purchaser's obligation to consummate the purchase and sale herein contemplated. All such documents shall be reasonably satisfactory in form and substance to Seller, Purchaser and their respective counsel:

4.01 Deed. A duly executed warranty deed (the "Deed") in the form attached hereto as Exhibit "E", conveying to Purchaser, or its permitted assignee, fee simple title to the Real Property and Improvements subject only to the Permitted Encumbrances. In addition, Seller shall execute and deliver a Real Estate Transfer Tax Valuation Affidavit.

4.02 Title Policy and Related Documentation. The final Title Policy meeting the requirements of Section 3.03(h), together with any and all affidavits in form and substance satisfactory to the Title Company as may be required hereunder or by the Title Company in connection with the issuance of the Title Policy.

4.03 Bill of Sale (Personalty). A quit claim bill of sale, with inventory attached, duly executed by Seller, and transferring, assigning and conveying to Purchaser (i) all of Seller's rights, if any, to items of Personal Property, if any.

4.04 Assignment and Assumption of Tenant Leases. An assignment of the Tenant Leases duly executed by Seller and Purchaser transferring and assigning to Purchaser all of Seller's right, title and interest in, to and under all Tenant Leases, and to the extent not previously delivered to Purchaser, the executed originals (or copies if originals are not available) of all such Tenant Leases, and providing for assumption by Purchaser of all of Seller's obligations thereunder arising after the Closing Date (the "Assignment and Assumption of Tenant Leases").

4.05 Assignment of Intangible Property. An assignment from Seller to Purchaser of all (i) warranties (to the extent that same are assignable) of which Seller is the beneficiary with respect to the Improvements, equipment, fixtures and the like located on the Property, together with the originals of all such warranties, if in Seller's possession; (ii) all trade names and trademarks and logos owned or registered by Seller, if any, used in connection with the operation of the Property including, without limitation, the name "Lurie Terrace Senior Apartments"; and (iii) such Intangible Property and other rights and property as are referenced in Article I above.

4.06 Assignment and Assumption of Operating and Other Agreements. An assignment from Seller to Purchaser of all written service agreements relating to the Property (collectively, the "Operating Agreements"), and, to the extent not previously delivered to Purchaser, the originals (or copies if originals are not available) of each such agreement, and providing for assumption by Purchaser of all of Seller's obligations thereunder arising after the Closing Date, duly executed by

Seller and Purchaser (collectively the “Assignment and Assumption of Operating Agreements”) to the extent (a) such service agreements are assignable and (b) Purchaser has requested that Seller assign the same in the time and manner required herein. Purchaser shall notify Seller of the Operating Agreements that Purchaser wishes to assume at least thirty (30) days prior to the Closing Date (the “Assignment Notice”), and any Operating Agreements not so designated in the Assignment Notice shall be terminated by Seller at its sole cost on or before the Closing Date.

#### 4.07 Seller’s Certificates.

(a) Certificate as to Representations and Warranties. A certificate, duly executed by Seller certifying that each and every representation and warranty made by Seller in this Agreement is true and correct as of Closing as if made by Seller at such time, except as such have been disclosed to and waived by Purchaser in writing prior to the Closing Date.

(b) Certificate Under Foreign Investment in Real Property Tax Act. A certificate, in form and substance satisfactory to Purchaser and duly executed by Seller to the effect that Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as these terms are defined in the Internal Revenue Code and all applicable regulations issued thereunder) and containing such other information and certifications as may be required under the provisions of Section 1445 of the Internal Revenue Code and all applicable regulations issued thereunder.

(c) Certificate as to Rent Roll. A certificate duly executed by Seller certifying that the Rent Roll delivered prior to the Closing is true, accurate and correct in all material respects. Seller shall deliver an updated Rent Roll for the Property dated within two (2) days of the Closing Date.

4.08 Evidence of Good Standing. A certificate of good standing issued by the Department of Licensing and Regulatory Affairs of the State of Michigan.

4.09 Evidence of Seller’s Authority. Evidence acceptable to Purchaser and the Title Company that those acting for Seller have full authority to consummate this transaction in accordance with the terms of this Agreement as modified through the Closing. Such evidence shall include, but not be limited to, a copy of Seller’s bylaws and certificates of good standing and authority.

4.10 Permits and Licenses. To the extent in Seller’s possession or control, original certificates of occupancy for all apartment units constituting the Improvements; originals (or copies if originals are not available) of all licenses, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Property; and an assignment to Purchaser of any such permits and licenses as are required to be assigned to enable Purchaser to operate the property to the extent assignable.

4.11 Tenant Letter. A letter signed by the Seller directed to all Tenants of the Property stating that the Property and the Tenants’ security and other deposits have been conveyed to Purchaser and that rent thereafter should be paid to Purchaser or Purchaser’s designee at the address indicated. In addition, such letter shall explain to tenants of the Property that meal service



options may be reduced or modified by Purchaser. Purchaser and Seller shall agree in good faith upon the form of such letter, prior to Seller signing same.

4.12 Closing Statements. A closing statement signed by Seller reflecting the prorations and credits determined pursuant to this Agreement (the “Closing Statements”).

4.13 Additional Documents. Seller shall, without further consideration, execute, acknowledge and deliver to Purchaser at Closing any other documents or agreements referred to in this Agreement or deemed reasonably necessary or reasonably appropriate by Title Company in connection with this transaction.

## ARTICLE V

### PURCHASER’S DELIVERIES AT CLOSING

At Closing, Purchaser agrees to deliver the following items to Seller or the Title Company, to be dated the Closing Date unless expressly agreed otherwise, the delivery and accuracy of which shall be a condition precedent to Seller’s obligation to consummate the purchase and sale herein contemplated. All such documents shall be reasonably satisfactory in form and substance to Seller or its counsel:

5.01 Payment of Purchase Price. Pay to Seller by wire transfer the balance of the Purchase Price established under Article II (adjusted for the pro-rations and adjustments herein provided for in Article VII).

5.02 Acceptance of Deed. Accept delivery of the Deed, Real Property and Improvements.

5.03 Assignment and Assumption of Tenant Leases. Deliver the Assignment and Assumption of Tenant Leases duly executed by Purchaser.

5.04 Assignment and Assumption of Operating Agreements. Deliver the Assignment and Assumption of Operating Agreements duly executed by Purchaser.

5.05 Additional Documents. Purchaser shall, without further consideration, execute, acknowledge and deliver to Seller at Closing any other documents or agreements referred to in this Agreement or deemed reasonably necessary or reasonably appropriate by Title Company in connection with this transaction.

5.06 Closing Statements. Execute and deliver the Closing Statement.

## ARTICLE VI

### CLOSING

6.01 Closing Date. The consummation of the purchase and sale herein contemplated (the “Closing”) shall take place on or before the date that is sixty (60) days after the expiration or waiver of the later of the (a) Due Diligence Period; or (b) the HUD Finance Period, as same may be

extended (the “Closing Date”), provided that neither Purchaser nor Seller has terminated this Agreement pursuant to an express right to do so as contained herein, and provided that all other covenants contained in this Agreement on the part of Seller and Purchaser to be performed hereunder have been complied with, and all conditions precedent to the Closing as expressly set forth in this Agreement have been satisfied or waived in writing by Purchaser or Seller. Notwithstanding the foregoing, to the extent that the Closing cannot occur on the Closing Date due to the inability or unwillingness of the Title Company to close the transaction and/or issue the Title Policy in the form required hereunder as a result of circumstances related to or arising out of the COVID 19 outbreak (including but not limited to the Stay At Home Order), the Closing Date shall be extended by sixty (60) days and Purchaser and Seller shall proceed to close within three (3) business days after the date the Title Company indicates its willingness to close and issue Title Policy in its required form. Further, in the event of a HUD-caused delay in closing on the HUD Financing, Purchaser may, by delivery of written notice to Seller to be delivered prior to the then applicable deadline for Closing, elect to extend the Closing Date for a period of up to thirty (30) days.

6.02 Place of Closing. The Closing shall take place at the offices of the Title Company, or at such other place as may be mutually agreed upon by Seller and Purchaser. Closing deliveries may be made in escrow by mail, and neither Seller nor Purchaser shall be required to physically attend any in person Closing.

6.03 Title Insurance Premiums; Documentary and Transfer Fees and Taxes. At or prior to the Closing, Seller shall pay both the State and County transfer taxes imposed on the transaction contemplated by this Agreement, one-half (½) of the costs associated with an escrow closing, if any, all recording charges and fees required to record the Deed and all other similar “closing” or “transaction” fees not specifically assigned to Purchaser under this Agreement. In addition, Seller shall pay the premium for issuance of the Title Policy. Purchaser shall pay all costs for any endorsements to the Title Policy (not including curative endorsements secured by Seller to address title defects raised by Purchaser), one-half (1/2) of the costs associated with an escrow closing, if any, all costs associated with obtaining the Updated Survey, and all costs of any lender’s policy of title insurance (including any endorsements thereto).

6.04 Possession. Seller shall give quiet and peaceable possession of and occupancy to the Real Property and Improvements at the time of Closing, subject only to the Tenant Leases shown on the Rent Roll.

6.05 Closing Statements. As of or prior to the Closing Date, Seller and Purchaser shall deposit the Closing Statements consistent with this Agreement in the form required by the Title Company.

## ARTICLE VII

### PRO-RATED ITEMS

7.01 Apportionments at Closing. The following items shall be apportioned at Closing and as of the Closing Date, with Purchaser being considered the owner of the Property as of the Closing Date:

(a) Rents. All non-delinquent rental income which is required to be paid by tenants under the Tenant Leases prior to, but not including, the Closing Date, but which has not been received by Seller on or prior to the Closing Date, shall be prorated as if received in full by Seller based on the actual number of days in the month in which the Closing occurs. At the Closing, Seller shall give Purchaser a credit toward the Purchase Price in an amount equal to all prepaid rent and all security deposits, and damage, pet and similar such deposits, if any. In the event that as of the Closing Date there are any delinquent rents, such delinquent rents shall not be prorated, and the first money received by Purchaser after the Closing Date from such delinquent Tenants shall be applied toward current rent, and the excess, if any, shall be remitted to Seller and applied to such delinquent rent. Purchaser may not waive any such delinquent amounts owed to Seller, nor modify the Tenant Leases so as to reduce or otherwise affect such amounts owed to Seller under the Tenant Leases for any period in which Seller is entitled to receive rental income, without first obtaining Seller's prior written consent. With respect to delinquent amounts of any kind owed by Tenants for the period prior to the Closing Date who are no longer tenants of the Property as of the Closing Date, Seller shall retain all rights relating thereto;

(b) collected parking charges and concession receipts, if any;

(c) Utility, water and sewer charges. Purchaser shall transfer all utility relationships with respect to the Property as of the Closing Date to Purchaser's name, and Purchaser shall assume all payments of the same on and after the Closing Date. Final readings and utility billings shall be made, if possible, as of the Closing Date, in which event no proration shall be made. If such final readings are not done as of the Closing Date, then a proration of all utilities shall be made based upon Seller's and Purchaser's mutually agreed upon reasonable good faith estimate of the same based upon the most recent bills and a readjustment shall be made upon receipt of final bills within thirty (30) days after the Closing Date. Seller shall pay all utilities up to, but not including, the Closing Date, and Purchaser shall pay all utilities for the Property on and after the Closing Date. All deposits made by or on behalf of Seller with the persons providing water, sewer, gas, electricity, telephone and other utilities to the Property (collectively, the "Utility Deposits"), plus any interest on the Utility Deposits to which Seller is or will be entitled that are held by the provider of the utilities shall be refunded to Seller or credited to Seller at the Closing. Purchaser will cooperate with Seller as may be reasonably requested by Seller in obtaining any refund. Notwithstanding anything contained herein to the contrary, with respect to water and sewer charges, the parties shall mutually agree on a dollar amount to be escrowed by the Title Company for final billing based upon the Title Company's good faith estimate of the unbilled and unpaid charges; and

(d) payments under Operating Agreements assumed by Purchaser, including any cable agreements related to the Property, if any.

7.02 Income and Expenses of Property. Seller shall be entitled to receive all income in respect of the Property and shall be obligated to pay all expenses in respect of the Property for all time periods through and including midnight of the day prior to the Closing Date, and Purchaser shall be entitled to receive all such income and shall be obligated to pay all such expenses commencing with the Closing Date.

7.03 Payment of Adjustments. At the Closing, the net adjustment, if in favor of the Seller, shall be paid by wire transfer, or, if in favor of the Purchaser, shall be paid by setoff against the cash payment of the Purchase Price due at Closing. All setoffs, abatements and reductions against the cash payment of the Purchase Price to which Purchaser is entitled under other Articles of this Agreement shall be handled as provided in this Section 7.03, except as otherwise expressly provided in the relevant Sections under such Articles.

Notwithstanding anything contained in this Article VII to the contrary, the parties acknowledge and agree that, as real estate taxes and assessments for the Real Property are currently and after Closing shall remain exempt under MCL 211.7d, real estate taxes and assessments shall not be prorated at Closing.

## ARTICLE VIII

### REPRESENTATIONS, WARRANTIES AND COVENANTS

8.01 Seller hereby covenants, represents and warrants to Purchaser as follows:

(a) Status and Authority of Seller. Seller (i) is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Michigan, and is duly qualified and authorized to transact the business it presently conducts, and to own and operate and dispose of the Property; (ii) has the full and unrestricted authority and power to enter into this Agreement and to consummate the transaction provided for herein. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by all requisite company action, and this Agreement, and all other agreements, documents and instruments contemplated hereby, when duly executed and delivered, will each constitute a valid and binding agreement of Seller, enforceable in accordance with its terms.

(b) Property and Encumbrances.

(i) There are no matters affecting title to the Real Property except for the Tenant Leases or as shown on the Title Commitment and Seller is the sole owner of fee simple, marketable title to all of the Property.

(ii) Seller has performed all obligations required to be performed under any covenant, condition, restriction, right-of-way, easement or other encumbrance affecting the Real Property or Improvements or any portion thereof, and no such default or breach now exists, and no event has occurred that with the lapse of time or the giving of notice would constitute a breach or default, under any of the foregoing.

(c) No Construction Liens. Except for the work described on Exhibit "F" attached hereto, if any, no work has been performed or is in progress at, and no materials have been furnished to the Property or any portion thereof which is currently the subject of a mechanic's, materialmen's or other lien, or which though not presently the subject of a lien might give rise to mechanic's, materialmen's or other lien against the Property or any portion thereof. Seller shall

provide the Title Company (as hereinafter defined) with such affidavits and other evidence as it may reasonably require so as to enable the Title Company to furnish Purchaser with a title insurance policy without exceptions for mechanic's and materialmen's liens. At or prior to Closing and as a condition to Purchaser's obligations under this Agreement, Seller shall complete and pay in full for all such work shown on Exhibit "F" and provide evidence thereof. For the avoidance of doubt, the parties agree that this Section 8.01(c) does not preclude Seller from performing ordinary course maintenance and repairs on the Property prior to Closing, so long as Seller causes the Title Company to furnish Purchaser at Closing with a title insurance policy without any exceptions for mechanic's and materialmen's liens.

(d) No Condemnation Proceedings. Neither the whole nor any portion of the Property is subject to temporary requisition of use by any governmental authority or has been condemned or taken in any proceeding similar to a condemnation proceeding, nor, to Seller's actual knowledge, is there now pending any condemnation, requisition or similar proceeding affecting the Property or any portion thereof. Seller has received no written notice nor has any actual knowledge that any such proceeding is contemplated.

(e) Tenant Leases.

(i) Except as indicated on the Rent Roll, Seller has not collected and will not collect at any time prior to the Closing from any tenant of the Property more than one (1) months' rent in advance excluding rent accepted at the end of a month within four (4) days prior to the rent due date. The Rent Roll is true, complete and correct in all material respects. There are no rental concessions or side agreements with any Tenants except as shown on the Rent Roll. All security deposits reflected on the Rent Roll and in which a Tenant has an interest have been held in material compliance with all applicable laws, rulings, and regulations to which Tenant security deposits may be subject. The executed copies of the Tenant Leases to be made available to Purchaser (and to be assigned at Closing) are true, complete, and correct originals or copies of the same. None of the Tenant Leases have been breached in any material respect by Seller and there is no monetary default by the tenant thereunder, except as shown on the Rent Roll. No tenants are entitled to any rebates or free rent except as shown on the Rent Roll. No rents due under any Tenant Leases have been assigned, hypothecated, or encumbered, except as set forth on the Title Commitment. Except as disclosed in the copies of the Tenant Leases or tenant files that are made available to Purchaser pursuant to this Agreement, the Tenant Leases have not been amended or modified in any material manner or terminated, and there are no other arrangements or agreements with the tenants identified in each of the Tenant Leases, except as provided in such Tenant Leases. The Rent Roll shall be revised so as to be true and correct for not more than two (2) days prior to Closing and shall be so certified by Seller at Closing.

(ii) Seller will provide actual rent roll occupancy information for the six (6) month period prior to the Effective Date, and will provide quarterly occupancy information by percentage of occupancy for the past three (3) years, in each case as soon as practical after signing this Agreement.

(f) Operating Agreements and Employees. Each Operating Agreement is identified on Exhibit "G". Seller represents and warrants that the Operating Agreements constitute all agreements, leases, and other instruments, oral or written, having an effect on the operations of the Property, except for Tenant Leases and encumbrances reflected on the Title Commitment. Seller represents that each such Operating Agreement is in full force and effect in accordance with its respective provisions, and that there has been no default, nor any claim of default, on the part of any party thereto. All sums due and payable by Seller under each such Operating Agreement for goods and services purchased by Seller or leased or furnished to Seller or otherwise due and payable by Seller to the Closing Date shall be fully paid as of the Closing Date. Seller shall assign to Purchaser those Operating Agreements that Purchaser has elected to assume at Closing to the extent assignable. Purchaser has a right to assume or reject each Operating Agreement at any time thirty (30) days prior to the Closing Date, and Seller shall pay any penalties for terminating an Operating Agreement. Purchaser shall assume all of Seller's obligations under the Operating Agreements at Closing for those Operating Agreements that are assumed and not rejected. Without limiting the foregoing, Seller shall terminate each and every employee and employment contract for the employees of Seller at or prior to Closing. Notwithstanding the foregoing, Purchaser may, in its sole discretion, seek to re-hire former employees of Seller at or following Closing.

(g) Current Payment of Bills. As of the date of this Agreement and in all subsequent times up to and including the Closing Date, Seller is not and will not be in default in the payment of any bills or other obligations respecting the Property, including without limitation any public utility bills. Seller hereby indemnifies and agrees to hold Purchaser harmless from all claims and liabilities arising out of any unpaid bills or other obligations that relate to the period prior to and including the Closing Date.

(h) Approvals. Seller is not required to submit any notice, request, report or other filing to any governmental or regulatory authority in connection with the execution, delivery or performance by Seller of this Agreement or the consummation of the transactions contemplated hereby. To Seller's actual knowledge but without investigation, no consent, approval or authorization of any governmental or regulatory authority is required to be obtained by Seller in connection with its execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

(i) No Judgments, Actions, Consents, Conflicts. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller, or any predecessor of Seller, is a party or its subject, or to which the Property or any portion thereof is subject; (ii) violate any restriction to which Seller, any predecessor of Seller, or the Property or any portion thereof is subject; (iii) constitutes a violation of any applicable code, resolution, law, statute, regulation, ordinance, rule, judgment, decree or order; (iv) result in the acceleration of any encumbrance pertaining to the Property, or the cancellation of any contract or lease pertaining to the Property; or (v) result in the creation of any encumbrance upon the Property. No approval, consent, order or authorization of, or designation, registration or filing (other than for recording purposes) with any governmental authority is required in connection with the due and valid execution and delivery of this Agreement by Seller, compliance with the provisions hereof by Seller and consummation of the transaction contemplated hereby by Seller.

(j) Litigation. Except as set forth on Exhibit “H”, there are no actions, suits, proceedings, or investigations pending, or, to the actual knowledge of Seller, threatened against or affecting Seller, the Property or the operation of the Property, as presently conducted, or which questions the validity of this Agreement or any action taken in, under or in connection with any of the provisions of this Agreement, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality. Seller hereby agrees to indemnify, defend and hold Purchaser harmless from all claims and liabilities arising out of any judgments, actions or liability arising out of litigation, the cause of action of which relate to the period prior to the Closing Date.

(k) Real Property Taxes. The real property taxes and assessments for the Property are exempt under MCL 211.7d and the Property is currently, and shall be as of Closing, in compliance with all requirements for maintenance of such exemption. Seller has no actual knowledge of any presently existing fact or circumstance that would cause the Real Property to lose its eligibility for the Tax Exemption either before or after the Closing. Seller shall reasonably cooperate with Purchaser in good faith in order to cause the transfer or continuation of the Tax Exemption after the Closing.

(l) COVID-19 Case Report and Protocol. Seller shall comply with all applicable law with respect to any COVID-19 cases and/or deaths at the Real Property. Further, Seller shall provide to Purchaser (i) promptly upon receipt, copies of any written notices from governmental authorities received by Seller with respect to COVID-19 cases and/or deaths at the Real Property, to the extent permitted by applicable law, and (ii) any COVID-19 Health and Safety Protocols Seller has developed for the tenants in the Real Property, promptly after the Effective Date and thereafter if any modifications are made to the same.

(m) Truth of Representations, Warranties, Covenants. All of the representations, warranties and covenants of the Seller contained in this Agreement are true and correct as of the Effective Date and shall be true and correct in all material respects and not in default at the time of Closing just as though they were made at such time, and Seller shall execute at Closing in favor of Purchaser a certification with respect thereto.

(n) Survival. All representations and warranties made by Seller in this Agreement shall survive Closing for the Survival Period (as defined in Section 12.03 below) and shall not merge into any conveyancing documentation delivered at Closing. Seller shall indemnify, defend, and hold Purchaser harmless for all claims, damages, losses, and expenses (including, without limitation, reasonable attorney’s fees and costs) arising out of or related to a breach of any of the representations, warranties, and covenants made by Seller hereunder; provided that claims for such matters are made within the Survival Period.

8.02 Purchaser hereby covenants, represents and warrants to Purchaser as follows:

(a) Status and Authority of Purchaser. Purchaser (i) is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Michigan, and is duly qualified and authorized to transact the business it presently conducts, and to own and operate and dispose of the Property; and (ii) subject to the approval of the City of Ann Arbor City Council, has the full and unrestricted authority and power to enter into this Agreement and to

consummate the transaction provided for herein. Subject to the approval of the City of Ann Arbor City Council, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by all requisite company action, and this Agreement, and all other agreements, documents and instruments contemplated hereby, when duly executed and delivered, will each constitute a valid and binding agreement of Seller, enforceable in accordance with its terms.

(b) Insolvency. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or state bankruptcy law is pending against or, to the best of Purchaser's knowledge, contemplated by Purchaser.

(c) Truth of Representations, Warranties, Covenants. All of the representations, warranties and covenants of the Purchaser contained in this Agreement are true and correct as of the Effective Date and shall be true and correct in all material respects and not in default at the time of Closing just as though they were made at such time.

(d) Survival. All representations and warranties made by Purchaser in this Agreement shall not survive Closing and shall merge into any conveyancing documentation delivered at Closing.

8.03 "As Is" and "Where Is". Except as expressly set forth in this Agreement, Seller makes no representation or warranty of any nature or kind. THE PROPERTY IS BEING SOLD "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, HABITABILITY, DESIGN, QUALITY, CONDITION, OPERATION OR INCOME, COMPLIANCE WITH DRAWINGS OR SPECIFICATIONS, ABSENCE OF DEFECTS, ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES, ABSENCE OF FAULTS, FLOODING, OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING LAWS AND REGULATIONS RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT) OR ANY OTHER WARRANTY (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE), EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY BASED SOLELY UPON PURCHASER'S OWN INDEPENDENT INVESTIGATIONS AND FINDINGS AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S AGENTS OR CONTRACTORS, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT.



## ARTICLE IX

### CONDEMNATION AND CASUALTY LOSS

9.01 Condemnation. If prior to the Closing, (a) all or less than all of the Real Property and Improvements shall be taken by condemnation or eminent domain, or (b) there is any taking of land lying in the bed of any street, road, highway or avenue, open or proposed, in front of or adjoining all of any part of the Real Property, or (c) there is any change of grade of any street, road, highway or avenue, and as a result Purchaser would be substantially prevented from continuing the existing use of the Property at Closing, Purchaser, at its option, may terminate this Agreement, in which event the Earnest Money Deposit shall be returned by Escrowee (as defined in Section 11.01 below) to Purchaser and, thereupon, this Agreement shall be null and void and of no further force or effect, and neither Purchaser nor Seller shall have any further rights, duties, liabilities or obligations to the other by reason thereof, except to the extent that Seller is in default under Section 8.01(d). If this Agreement is not terminated, Purchaser shall accept title to the Real Property and Improvements subject to the taking or change of grade, in which event at the Closing the proceeds of the award or payment shall be assigned by Seller to Purchaser and any moneys theretofore received by Seller in connection with such taking or change in grade shall be paid over to Purchaser.

9.02 Casualty Loss. If, prior to the Closing Date, there is damage to Property by fire or other casualty, whether or not insured against by Seller under its hazard insurance policy, Seller shall promptly give Purchaser notice of such fact.

(a) If the estimated cost of repairs and replacements is One Hundred and Fifty Thousand and 00/100 Dollars (\$150,000.00) or more, Purchaser may elect to terminate this Agreement within fifteen (15) days after receiving written notice from Seller of the occurrence of such casualty. If Purchaser so elects to terminate this Agreement, it shall give Seller and Escrowee written notice thereof and the Earnest Money Deposit shall be returned by Escrowee to Purchaser, and upon such return, this Agreement shall terminate and be null and void and of no further force or effect, and neither Purchaser nor Seller shall have any further rights, duties, liabilities or obligations to the other hereunder, except as to any claims Purchaser may have arising out of any breach by Seller of Section 10.05. Failure of the Purchaser to so notify Seller within said fifteen (15) days that Purchaser has elected to terminate this Agreement shall be deemed to mean that Purchaser has not elected to terminate this Agreement.

(b) If the estimated cost of repairs and replacements is One Hundred and Fifty Thousand and 00/100 Dollars (\$150,000.00) or more, but Purchaser does not elect to terminate this Agreement as provided in (a) above, or if the estimated cost of repairs and replacements is less than One Hundred and Fifty Thousand and 00/100 Dollars (\$150,000.00), the parties shall proceed to Closing, and Purchaser shall receive the Property as diminished by such casualty events, provided, that: (i) the full extent of the estimated cost of repairs and replacements is insured against by Seller (less any deductible amount), and (ii) Seller's insurance company has acknowledged liability for such damage and the rental loss occasioned thereby and the amounts it will pay to Purchaser under its insurance policies and agrees to recognize the assignment of such insurance proceeds to Purchaser described herein (except for the amount of rental loss insurance applicable to the period prior to the Closing Date which shall be paid to and retained by Seller); and provided,

further, that at Closing the cash payment of the Purchase Price made by Purchaser to Seller under Section 5.01 shall be reduced by the amount of applicable deductible under the applicable insurance policies. If either of the conditions set forth in (i) or (ii) above are not satisfied, Purchaser may elect to terminate this Agreement within fifteen (15) days following receipt of notice that the conditions set forth in (i) and/or (ii) will not be satisfied. If Purchaser so elects to terminate this Agreement, it shall give Seller and Escrowee written notice thereof and the Earnest Money Deposit shall be returned by Escrowee to Purchaser, and upon such return, this Agreement shall terminate and be null and void and of no further force or effect, and neither Purchaser nor Seller shall have any further rights, duties, liabilities or obligations to the other hereunder, except as to any claims Purchaser may have arising out of any breach by Seller of Section 10.05.

(c) For all purposes of this Section 9.02, the estimated cost of repairs and replacements shall be determined by mutual agreement of Seller and Purchaser, or, if they are unable to agree, by an independent engineer selected by Seller and Purchaser or by two independent engineers, one of whom shall be selected by Seller and the other of whom shall be selected by Purchaser.

9.03 No Settlement by Seller. Seller shall not settle any fire or casualty loss claims or agree to any award or payment in condemnation or eminent domain or any award or payment in connection with the change in grade of any grade of any street, road, highway or avenue in respect of or in connection with the Real Property and Improvements or other Property without obtaining Purchaser's prior written consent in each case.

## ARTICLE X

### OPERATION OF PROPERTY

10.01 Seller's Level of Effort. Until the Closing, Seller will operate the Property in the ordinary course of business and will use commercially reasonable efforts to preserve its business intact, and preserve for the Purchaser the relationships of Seller with its suppliers, tenants, and others having relations with it. Seller shall not negotiate with anyone else in regards to the purchase and sale of the Property so long as this Agreement is in effect.

10.02 Maintenance and Repairs of Property. Seller will keep and maintain the Property in substantially the same manner as it is presently maintained.

10.03 Payment of Bills. Seller shall pay on a prompt and timely basis all bills and discharge all obligations arising from the ownership, operation, management, repair, maintenance and leasing of the Property, as payments become due. As provided in Section 7.02, all bills relating to any time prior to the Closing Date shall be the sole responsibility of Seller.

10.04 Inspections by Purchaser. Purchaser shall have the continuing right from time to time after reasonable advance written notice to Seller and subject to the rights of tenants to inspect the Property to verify Seller's compliance with its undertakings under this Article X.

10.05 Hazard and Rental Loss Insurance and Taxes. Until Closing, Seller shall maintain hazard insurance with respect to the Property in the amount consistent with the current practice.

Until Closing, all risk of loss shall be on Seller. Seller pay all outstanding taxes, assessments, maintenance and other charges related to the Property when due and payable.

10.06 Notifications. At all times prior to Closing, Seller shall: (1) notify Purchaser in writing of any litigation or governmental proceeding to which Seller becomes a party or which affects the Property or any part thereof, (2) deliver to Purchaser copies of all written notices received by Seller which assert any material breach of or default under any Tenant Leases or Operating Agreements, and (3) notify Purchaser in writing if any representation or warranty contained herein is no longer true and correct. In the event that any such notification as to Seller's representations and warranties discloses a matter or circumstance that is material and adverse to Purchaser and not otherwise permitted herein, and such is susceptible to being cured, Seller shall have thirty (30) days to cure or cause to be cured such untrue representation or warranty.

10.07 Tenant Leases. From the Effective Date through the Closing, all Tenant Leases entered into by Seller shall be for residential units in the Property, shall be on forms customarily and historically used for leasing of the Property and complying with the laws of the jurisdiction of the Property, shall not include options to purchase and shall be at the normal and customary rental rates for the Property. Seller agrees to pay all leasing commissions for Tenant Leases entered into by Seller and fully executed prior to the Effective Date, which such obligation shall survive the Closing. During the pendency of this Agreement, Seller shall apply any security deposits only in the ordinary course of business (including, without limitation, return of any security deposits to the respective tenant if required under the applicable Lease or applicable law). Seller shall promptly notify Purchaser of any use, release or other reduction in the amount of the security deposits that will be assumed by Purchaser as of the Closing Date (including a general description of the disbursement of the same).

## ARTICLE XI

### EARNEST MONEY; DEFAULT; REMEDIES ON DEFAULT; ESCROW AGENT

11.01 Earnest Money Deposit; Payment to Seller at Closing. Within three (3) business days after the execution of this Agreement by Seller, Purchaser shall deliver to the Title Company, as escrow agent ("Escrowee") a cash deposit of Fifty Thousand and 00/100 (\$50,000.00) Dollars in favor of Seller (the "Earnest Money Deposit"), which Earnest Money Deposit shall be held in trust by Escrowee in accordance with the provisions of a separate escrow agreement to be entered into among Seller, Purchaser and Escrowee (the "Escrow Agreement") within five (5) business days after the Effective Date. The Earnest Money Deposit shall become non-refundable upon the later of (i) expiration of the HUD Finance Period (as same may be extended) in accordance with Section 3.02, or (ii) the expiration or waiver of the Due Diligence Period; provided, however, the Earnest Money Deposit shall be refundable in the event of Seller's default as set forth in Section 11.03 hereof or upon the occurrence of a casualty or condemnation event as set forth in Article IX above that results in termination of this Agreement. The Earnest Money Deposit shall remain applicable to the Purchase Price upon Closing.

11.02 Seller's Remedies on Default. Purchaser and Seller acknowledge that it would be extremely impracticable and difficult to ascertain the actual damages that would be suffered by Seller if Purchaser fails to consummate the purchase and sale contemplated herein (for any reason

other than Seller's failure, refusal or inability to perform any of Seller's covenants and agreements hereunder or the failure of any other conditions to Purchaser's obligation to close hereunder). Purchaser and Seller have considered carefully the loss of Seller occasioned by taking the Property off the market as a consequence of the negotiation and execution of this Agreement, the expenses of Seller incurred in connection with the preparation of this Agreement and Seller's performance hereunder, and the other damages, general and special, which Purchaser and Seller realize and recognize Seller will sustain, but which Seller cannot at this time calculate with absolute certainty. Based on all those considerations, Purchaser and Seller have agreed that the damage to Seller would reasonably be expected to amount to the amount of the Earnest Money Deposit. Accordingly, if all conditions precedent to Purchaser's obligation to consummate the transactions herein contemplated have been waived by Purchaser or satisfied, and if Seller has performed its covenants and agreements hereunder, but Purchaser has breached its covenants and agreements hereunder and has failed or refused or is unable to consummate the purchase and sale contemplated herein by the Closing Date, then Escrowee shall cause the Earnest Money Deposit to be drawn upon in favor of Seller as full and complete liquidated damages. Upon proper payment of the Earnest Money Deposit to Seller, as above provided, no party to this Agreement shall have any liability to any other party to this Agreement; and this Agreement shall in its entirety be deemed null, void and of no further force and effect.

11.03 Purchaser's Remedies on Default. If Seller fails to consummate the transaction or to perform any other of its obligations hereunder if and when required to do so hereunder, then in any such event Purchaser shall have the option: (a) of giving Seller written notice that this Agreement is terminated, whereupon the Escrowee shall return the Earnest Money Deposit to Purchaser, and recover from Seller the lesser of (i) Purchaser's reasonable out-of-pocket third party costs (including reasonable attorneys' fees) incurred in its attempted purchase and financing of the Property or (ii) \$75,000.00 (the "Break Fee"); (b) of waiving in writing the condition, deliverable item or other reason giving rise to Purchaser's right to terminate this Agreement; or (c) of maintaining an action for specific performance. If Purchaser elects the option described in Section 11.03(a), upon return of the Earnest Money Deposit and payment of the Break Fee to Purchaser, neither party shall have any further rights, duties or obligations hereunder except as otherwise provided herein, such payment constituting liquidated damages in favor of Purchaser. If Purchaser pursues specific performance, Purchaser shall have the right to obtain an order for a decree of specific performance requiring Seller to convey the Property to Purchaser upon payment of the Purchase Price, inasmuch as the parties recognize and acknowledge that the Property is unique and that there is no adequate remedy at law to compensate Purchaser fully for a breach by Seller or Seller's obligations to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement.

11.04 Rights of Escrowee. The parties hereto hereby acknowledge that Escrowee shall have no liability to any party on account of Escrowee's failure to cause disbursement of the Earnest Money Deposit if a dispute shall have arisen with respect to the propriety of such draw disbursement; and, in the event of any dispute as to who is entitled to receive the Earnest Money Deposit, Escrowee shall have the right to retain the Earnest Money Deposit, and cause a disbursement of same in accordance with the final order of a court of competent jurisdiction or to deposit the Earnest Money Deposit, with said court pending a final decision of such controversy. The parties hereto further agree that Escrowee shall not be liable for failure of the depository and shall be otherwise liable only in the event of Escrowee's gross or willful negligence.

## ARTICLE XII

### MISCELLANEOUS

12.01 Notices. All notices, demands, consents, approvals and other communications required or desired to be given by either party to the other hereunder shall be in writing and shall be hand delivered or sent by United States registered or certified mail, postage prepaid, return receipt requested, or sent by overnight mail delivery service, paid for by the sender, or delivered via electronic mail, addressed to the appropriate party at its address set forth below or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals and other communications shall be deemed given when hand delivered, when sent or if sent by electronic mail, upon proof of transmission:

To Seller: Senior Citizens of Ann Arbor, Incorporated  
600 West Huron Street  
Ann Arbor, MI 48103  
Attention: Mary Jean Raab  
Electronic Mail: raabmj@aol.com

With a copy to: Dickinson Wright PLLC  
350 S. Main Street  
Ann Arbor, MI 48104  
Attention: Aimee R. Gibbs, Esq.  
Electronic Mail: AGibbs@dickinsonwright.com

To Purchaser: Ann Arbor Affordable Housing Corporation  
2000 S. Industrial  
Ann Arbor MI 48104  
Attention: Jennifer Hall  
Electronic Mail: jhall@a2gov.org

With a copy to: Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243  
Attention: Rochelle E. Lento, Esq.  
Electronic Mail: rlento@dykema.com

City of Ann Arbor  
Larcom City Hall  
301 E. Huron St., Third Floor  
Ann Arbor, Michigan 48104  
Attention: Kevin McDonald, Esq.  
Electronic Mail: kmcdonald@a2gov.org

As to Escrowee:           Absolute Title, Inc.  
                                  2875 W. Liberty Rd.  
                                  Ann Arbor, MI 48103  
                                  Attention: Christy Perros  
                                  Electronic Mail: cperros@absolutetitle.com

12.02 Assignment. Purchaser shall have the right to assign this Agreement without the written consent of Seller, but upon written notice to Seller, to an entity that is controlled by or under common control with Purchaser. If this Agreement is assigned, any reference in this Agreement to Purchaser shall thereafter be deemed to refer to such assignee or assignees

12.03 Survival of Warranties. It is the express intention and agreement of the parties to this Agreement that all covenants, agreements, statements, representations, warranties and indemnities made by Seller in this Agreement (including in the annexed Exhibits), or in any document or instrument delivered by Seller pursuant to the provisions of this Agreement or act or in connection with the Closing, shall survive the Closing for a period (“Survival Period”) of twelve (12) months following the date of Closing.

12.04 Waiver. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

12.05 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

12.06 Amendments. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought.

12.07 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein.

12.08 Headings. Article, Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

12.09 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

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

12.11 Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

12.12 Commissions. Each party warrants and represents to the other that no real estate sales or brokerage commissions or like commissions are or may be due in connection with this transaction as a result of the act of the party so warranting.

12.13 Time of the Essence. Time is of the essence of this Agreement.

12.14 Counterparts. This Agreement may be signed in any number of counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same document. To facilitate execution of this Agreement, the parties may execute and exchange by electronic delivery of a PDF copy of the executed Agreement, which PDF copy shall be deemed valid and binding.

12.15 Business Day. As used in this Agreement, the term "Business Day" shall mean every day other than Saturdays, Sundays, all days observed by the federal or Michigan government as legal holidays and all days on which commercial banks in Michigan are required by law to be closed. If the Closing Date or the day for performance of any act required under this Agreement falls on a Saturday, Sunday or legal holiday in the State in which the Property is located, then the Closing Date or the day for such performance, as the case may be, shall be the next following regular Business Day.

12.16 City Council Approval. Seller acknowledges that the terms and conditions of this Agreement are subject to the review of the Ann Arbor City Council and the adoption of a resolution authorizing Purchaser to enter into this Agreement. Purchaser agrees to present this Agreement to the Ann Arbor City Council for such purpose as soon as practical, but not later than thirty (30) days of Seller and Purchaser reaching an agreement on the form of this Agreement.

12.17 List of Exhibits.

- A Legal Description Real Property
- B Reserved
- C Rent Roll
- D Seller's Documents
- E Warranty Deed
- F Work which is Subject of a Construction, Materialmen's or other Lien
- G Operating Agreements
- H Litigation

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed, sealed and delivered the day and year first above written.

**SELLER:**

**SENIOR CITIZENS HOUSING OF ANN ARBOR, INCORPORATED**, a Michigan nonprofit corporation

By: \_\_\_\_\_  
Name: Mary Jean Raab  
Title: Board President

**PURCHASER:**

**ANN ARBOR AFFORDABLE HOUSING CORPORATION**, a Michigan nonprofit corporation

By: \_\_\_\_\_  
Name: Jennifer Hall  
Title: Secretary/Treasurer



## EXHIBIT "A"

### Legal Description of the Real Property

Land situated in the City of Ann Arbor, County of Washtenaw, State of Michigan, more particularly described as follows:

#### Parcel I

Commencing at the intersection of the westerly line of Chapin Street with the centerline of West Huron Street; thence Northeasterly in the prolongation of the Westerly line of Chapin Street 34.52 feet to the intersection of the North line of West Huron Street with the Westerly line of Chapin Street; thence West in the North line of West Huron Street 226.51 feet to an iron pipe; thence North at right angles 198 feet; thence West at right angles 20.16 feet; thence Northerly in a line making a Northeasterly angle of 93°42' with the last course 55.70 feet to an iron pipe for a Point of Beginning; thence North in the same course along the east line of West Park 50 feet to the Southwest corner of land sold to Alfred J. Mayer; thence deflecting 95°31' to the right 123.98 feet to the center line of Park View Place; thence South along the centerline of Park View Place 50.18 feet to the Northeast corner of land sold to Charles EM Bailey; thence West along said Bailey's North line 119 feet to the Point of Beginning.

#### Parcel II

Commencing at an iron pipe in the North line of West Huron Street 226.51 feet Westerly from the intersection of the West line of Chapin Street with the North line of Huron Street; thence Northerly at right angles with West Huron Street 198 feet for a Point of Beginning; thence deflecting 90° to the left 20.16 feet; thence deflecting 86°18' to the right 55.70 feet; thence deflecting 95°44' to the right 119 feet; thence deflecting 83°48' to the right 49.15 feet; thence deflecting 96°2' to the right 98.87 feet; thence Southerly perpendicular to Huron Street 5.55 feet to the Point of Beginning, reserving a right of way for use in common with others over the east part of said lots and granting a right of way in common with others over Park View Place as now laid out, all being a part of Section 29, City of Ann Arbor, County of Washtenaw, and State of Michigan. Excepting land sold off as described in Liber 521, Page 633, Washtenaw County Records.

#### Parcel III

Also land in the West ½ of the Northwest ¼ of Section 29, City of Ann Arbor, described as follows: Commencing at the intersection of the West line of Chapin Street and the North line of West Huron Street in the City of Ann Arbor, Washtenaw County, Michigan; thence West along the North line of West Huron Street 116.17 feet for a Point of Beginning; thence continuing along the North line of West Huron Street 283.67 feet; thence deflecting 91°14' to the right 197.83 feet; thence deflecting 88°46' to the right 149.43 feet; thence deflecting 93°42' to the left 20.70 feet; thence deflecting 95°32' to the right 101.07 feet; thence 37.11 feet along the arc of a nontangential circular curve concave to the Northeast, radius 150.6 feet, chord deflecting 67°29'30" to the right from the aforementioned course 37.02 feet; thence deflecting 7°03'30" to the left from the aforementioned chord 26.0 feet; thence 48.81 feet along the arc of a circular curve concave to the West, radius 91.7 feet, chord deflecting 15°15' to the right 48.24 feet; thence deflecting 15°15' to the right from the aforementioned chord 110.8 feet to the Point of Beginning, being a part of the West ½ of the Northwest ¼ of Section 29, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan; also a right of way solely for the purpose of ingress and egress to the above described property over the following described land: Commencing at the intersection of the West line of Chapin Street and the North line of West Huron Street in the City of Ann Arbor, Washtenaw County, Michigan; thence West along the North line of West Huron Street 399.84 feet for a Place of Beginning; thence continuing along the North line of West Huron Street 12.0 feet; thence deflecting 91°14' to the right 212.83 feet; thence deflecting 88°46' to the right 122.67 feet; thence deflecting 91°14' to the right 15.0 feet; thence deflecting 88°46' to the right 110.67 feet; thence deflecting 88°46' to the left 197.83 feet to the Place of Beginning, together with a right of way in common with others over the premises known and laid out as Parkview Place, being a part of the West ½ of the Northwest ¼ of Section 29, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan.

Together with:

A non-exclusive easement for ingress and egress as created, limited and defined in instrument recorded in [Liber 341, page 171](#), [Liber 1029, page 440](#) and [Liber 1029, page 442](#), Washtenaw County Records.

Common Address: 600 W. Huron Street, Ann Arbor

Parcel Identification Number(s): 09-09-29-215-060

**EXHIBIT “B”**

**[Reserved]**

**EXHIBIT “C”**

**Rent Roll**

**[TO BE INSERTED]**

## **EXHIBIT “D”**

### **Seller’s Documents**

- a. Most current survey of the Property, if any;
- b. Most recent title policy affecting the Property, if any;
- c. Current certified rent roll;
- d. Calendar 2019 and YTD bank statements showing rental deposits;
- e. Copies of any service contracts now in effect relating to the Property’s operations;
- f. One (1) year history of tenant rent delinquencies;
- g. Trailing 12-month financial statements with full G/L detail including cash account detail and aging accounts receivable for immediate prior month;
- h. Seller’s schedule of capital improvements made to the Property in the last two (2) years;
- i. Structural and engineering reports in the Seller’s possession;
- j. Employee payroll summary;
- k. Any documentation reasonably required in connection with the HUD Financing.

**EXHIBIT “E”**

**Form of Warranty Deed**

**WARRANTY DEED**

KNOW ALL MEN BY THESE PRESENTS: that \_\_\_\_\_ (“Grantor”), whose address is \_\_\_\_\_, hereby conveys, warrants, sets over and transfers to \_\_\_\_\_ (“Grantee”), whose address is \_\_\_\_\_, that certain premises situated in the City of Ann Arbor, County of Washtenaw, State of Michigan as more particularly described in **Exhibit “A”** attached hereto (the “Real Estate”) and incorporated herein by reference for the full consideration set forth on the Real Estate Transfer Valuation Affidavit, the receipt and sufficiency of which is hereby acknowledged, subject to those matters set forth in **Exhibit “B”** attached hereto (the “Permitted Encumbrances”).

TO HAVE AND TO HOLD the same in fee simple forever, unto the said Grantee, its legal representatives, successors and assigns, and Grantor does hereby covenant and warrant title to the above described property, rights and interests and binds itself and its legal representatives, successors and assigns to covenant and forever defend all and singular the above described property and interests unto the said Grantee, its successors, legal representatives and assigns, subject, however, to the Permitted Encumbrances.

Grantor grants to Grantee the right to make all permissible divisions, if any, under section 108 of the Michigan Land Division Act, Act No. 288 of the Public Acts of 1967, as amended.

The Real Estate may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

*[Signature on following page]*

IN WITNESS WHEREOF, Grantor has caused this Warranty Deed to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2020.

**GRANTOR:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF MICHIGAN                    )  
  ) SS  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_, the \_\_\_\_\_ of 23 \_\_\_\_\_ on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Print name: \_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, Michigan  
My Commission Expires: \_\_\_\_\_  
Acting in the County of \_\_\_\_\_

DRAFTED BY AND AFTER  
RECORDING RETURN TO:

Milo R. Madole, Esq.  
Dykema Gossett PLLC  
400 Renaissance Center  
Detroit, Michigan 48243

**EXHIBIT A**

**Legal Description of the Real Estate**

The land referred to in this commitment is described as follows: City of Ann Arbor, County of Washtenaw, State of Michigan:

Common Address:

Parcel No(s):



**EXHIBIT B**

**Permitted Encumbrances**

1. Taxes and assessments for \_\_\_\_\_ and subsequent years, a lien not yet due and payable.
- 2.

**EXHIBIT “F”**

**Work to be completed by Seller prior to Closing.**

None.

## **EXHIBIT “G”**

### **Operating Agreements**

1. AM Service Lawn
2. AM Services Snow
3. Jani-King (custodial)
4. KONE (elevator maintenance)
5. EOS/Marlin (camera)
6. Robertson Morrison (elevator cooling)
7. WTI (roof)
8. Arbor Professional Solutions (collection agency)

**EXHIBIT “H”**

**Litigation**

None.