

EXECUTION COPY

PURCHASE AND SALE AGREEMENT

BETWEEN

SCHOOL DISTRICT OF THE CITY OF DETROIT

a Michigan public corporation

AS SELLER

AND

THE CITY OF DETROIT

AS PURCHASER

DATED AS OF \_\_\_\_\_, 2014

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made and entered into by and between the School District of the City of Detroit, a Michigan public corporation ("Seller"), whose address is 3011 W. Grand Boulevard, Detroit, Michigan 48202, and, The City of Detroit, acting through its Planning & Development Department ("Purchaser"), whose address is 65 Cadillac Square, Suite 2300, Detroit, MI 48226, effective as of the date signed by the Purchaser, as set forth on the signature hereto and to be inserted on the first page of this Agreement (the "Execution Date").

WITNESSETH:

### ARTICLE I

#### PURCHASE AND SALE

1.1 Agreement of Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey and Purchaser agrees to purchase, in "AS IS" condition on the day of Closing (as defined in Article IV of this Agreement), all of the real properties held by Detroit Public Schools and declared as "Surplus Real Property" pursuant to that certain Order of the Emergency Manager dated August 6, 2014, being Order No. 2015-EMJM-03, being approximately 58 sites ranging from 0.2 to 10.69 acres in size that include at least 1 building ranging from 6,550 to 197,500 square feet in size and 20 vacant lots ranging from 0.06 to 10.74 acres in size, consisting of the following:

(a) those certain tracts or parcels of land situated in Wayne County, Michigan, more particularly described on Exhibit A attached hereto and made a part hereof, together with all and singular the rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (the property described in clause (a) of this Section 1.1 being herein referred to collectively as the "Land");

(b) the buildings, structures, fixtures and other improvements on the Land, including specifically, without limitation, that certain building or buildings formerly located thereon having the street addresses listed on Exhibit A hereof (the property described in clause (b) of this Section 1.1 being herein referred to collectively as the "Improvements"); and

(c) all of Seller's right, title and interest in and to all tangible personal property upon the Land or within the Improvements, including specifically, without limitation, appliances, furniture, carpeting, draperies and curtains, tools and supplies, and other items of personal property contained in the building as of the Closing Date

(excluding any items described on Exhibit B attached hereto and cash) used exclusively in connection with the operation of the Land and the Improvements (the property described in clause (c) of this Section 1.1 being herein referred to collectively as the "Personal Property").

1.2 Property Defined. The Land, the Improvements and the Personal Property are hereinafter referred to collectively as the "Properties."

1.3 Permitted Exceptions. The Properties shall be conveyed subject to the matters which are, or are deemed to be, Permitted Exceptions pursuant to Article II hereof (herein referred to collectively as the "Permitted Exceptions").

1.4 Consideration. Seller is to sell and Purchaser is to purchase the Properties for the total sum of eleven million five hundred sixty three thousand five hundred twenty and 01/100 DOLLARS (\$11,563,520.01) (the "Purchase Price").

1.5 Payment of Purchase Price. The Purchase Price, shall be payable by Purchaser in the form of a credit to the Seller's indebtedness to the Purchaser for past services provided by all of the Purchaser's departments, other than the Purchaser's Water and Sewerage Department (and including but not limited to the Purchaser's Public Lighting Department and Building and Safety Department) to Seller. The Purchase Price shall be applied to the Seller's invoices for all outstanding amounts charged and services rendered prior and up to and including October 31, 2014, resulting in the Seller's account having a zero balance as of such date, except for Water and Sewerage Department accounts. The credit shall be applied in full on the Closing Date and the Purchaser will provide the Seller with a receipt and other evidence satisfactory to it that the Seller's balance that is due and owing to the Purchaser for services from the Purchaser's departments is zero as of October 31, 2014.

In the event that the Purchaser refuses, in good faith, to accept a respective property pursuant to Section 2.4 hereof, title for said property shall remain with the Seller, with the deed being returned to the Seller by the Title Company, the Seller shall return the property value amount to the Purchaser for that respective property and in such event, the returned value shall revert to a debt of Seller owed to Purchaser. Prior to rejecting Property, the Purchaser shall provide Seller with a copy of the relevant Assessment produced by the environmental consultant and notice of the unexpected results in writing. The property value ("Property Value") is determined by the Actual Appraised Value or Estimated Value Based on Average Pricing Property, whichever is greater, that is listed in the attached Exhibit D, which is incorporated herein by reference. In lieu of return of the Property Value amount to the Purchaser for any respective property that is returned to the Seller for unexpected environmental concerns, the Purchaser may, at its sole discretion, accept from the Seller a substitute property. Acceptance of a substitute property must be approved by Detroit City Council under separate resolution

## ARTICLE II

### TITLE AND SURVEY

2.1 Title Examination; Commitment for Title Insurance. Purchaser shall have until the expiration of the Inspection Period (defined in Section 3.1 hereof) to examine title to the Properties. Within five (5) days of the Execution Date, Seller shall order from a nationally recognized title insurance company, First American Title Insurance Company, 100 Bloomfield Hills Parkway, Bloomfield Hills, MI 48304 (the "Title Company") at Purchaser's expense, an ALTA title insurance commitment (the "Title Commitment") covering the Properties, showing all matters affecting title to the Properties and binding the Title Company to issue at Closing an Owner's Policy of Title Insurance, containing no exceptions or conditions other than the Permitted Exceptions, in the full amount of the Purchase Price pursuant to Section 2.4 hereof. Purchaser shall instruct the Title Company to deliver to Purchaser and Seller as soon after the order that the commitment is available, copies of the Title Commitment and copies of all instruments referenced in Exhibit B thereof. In the event that the Closing contemplated hereby is not consummated, the Title Company shall bill the cost of the Title Commitment to the Purchaser.

2.2 Title Objections: Cure of Title Objections.

(a) Purchaser shall have until the expiration of the Inspection Period to give written notice to Seller of such objections as Purchaser may have to any exceptions to title disclosed in the Title Commitment, any amendments thereto issued during the Inspection Period. Any exception to title disclosed in the Title Commitment, any such amendments to which Purchaser does not object by timely written notice shall be a Permitted Exception. Time is of the essence with respect to the provisions of this Section 2.2.

(b) In the event Purchaser gives timely written notice of objection to any exceptions to title, Seller shall have the right, but not the obligation, to attempt to remove, satisfy or otherwise cure any exceptions to title so objected to. Within ten (10) days after receipt of Purchaser's notice of objection, Seller shall give written notice to Purchaser informing Purchaser of Seller's election with respect to such exceptions. If Seller fails to give written notice of election within such ten (10) day period, Seller shall be deemed to have elected not to attempt to cure the matter objected to. If Seller elects to attempt to cure any exceptions, Seller shall be entitled to one or more reasonable adjournments of the Closing of up to, but not beyond, the sixtieth (60th) day following the date for Closing set forth in Section 4.1 hereof to attempt such cure, but Seller shall not be obligated to expend any sums, commence any suits or take any other action in order to effect the same.

(c) If Seller elects or is deemed to have elected not to cure any exceptions to title objected to by Purchaser or if, after electing to attempt to cure, Seller determines that it is unwilling or unable to remove, satisfy or otherwise cure any such exceptions, Purchaser's sole remedy hereunder in such event shall be either: (i) to accept title to the respective property subject to such exceptions as if Purchaser had not objected thereto and without reduction of the Purchase Price, (ii) to remove the respective property from the Properties list and receive a substitute property from the Seller or (iii) to terminate this Agreement, pursuant to Section 2.3(d), provided the Agreement may be terminated only if all the Properties are rejected by Purchaser, and neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.

(d) To terminate this Agreement pursuant to this Section 2.3, Purchaser must give written notice to Seller of its election to terminate not later than (a) five (5) business days after receipt of written notice from Seller of Seller's election not to attempt to cure any exception or of Seller's determination, having previously elected to attempt to cure, that it is unable or unwilling to do so or (b) fifteen (15) days after giving timely notice to Seller objecting to any exception to title and, pursuant to Section 2.3(b), Seller is deemed to have elected not to attempt to cure such exception. If Purchaser fails to give timely notice of its election to terminate for any reason whatsoever, Purchaser shall be deemed to have elected to accept title subject to such exception without adjustment of the Purchase Price.

2.4 Conveyance of Title. At Closing, the Debt shall be satisfied and the Purchaser shall take responsibility and possession of the Properties. However, title to the Properties shall remain in the Seller and the Seller shall place a quit claim deed for each of the Properties with the Title Company in escrow according to the form of the Form of Deed Escrow Agreement attached hereto as Exhibit C and incorporated by reference herein. Ownership and title to the Properties shall remain in the Seller until the Purchaser has completed environmental assessments for each of the Properties. If an assessment for a respective property returns unexpected environmental concerns, the Purchaser, at its sole discretion, may refuse to accept that respective property and the title for said property shall remain with the Seller, with the deed being returned to the Seller by the Title Company. For respective properties that the Purchaser plans to accept after environmental assessments have been done, the deeds to those properties shall be given to the Purchaser by the Title Company and promptly recorded. Seller shall convey and transfer to Purchaser, by quit claim deed, such title as will enable the Title Company to issue to Purchaser, at Purchaser's expense, an ALTA Owner's Policy of Title Insurance (the "Title Policy"), covering the Properties in the full amount of the Purchase Price. Notwithstanding anything contained herein to the contrary, the Properties shall be conveyed subject to the following matters, which shall be deemed to be Permitted Exceptions:

(a) the lien of all ad valorem real estate taxes and assessments, if any, not yet due and payable as of the date of Closing, subject to adjustment as herein provided;

(b) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Properties; and

(c) items which are or become Permitted Exceptions pursuant to Sections 2.3 or 2.5 hereof.

2.5 Amendments to Title Commitment. All exceptions to title other than the Material Exceptions (as hereinafter defined) first raised by the Title Company in any amendments to the Title Commitment issued after the expiration of the Inspection Period shall be Permitted Exceptions. Purchaser shall have the right to object to any Material Exceptions first raised by the Title Company in any amendments to the Title Commitment issued after the expiration of the Inspection Period by giving written notice of the Material Exceptions to which Purchaser is objecting within ten (10) days after the issuance of any such amendment. If Purchaser does not object to any Material Exception first raised in an amendment to the Title Commitment issued after the expiration of the Inspection Period by giving timely written notice as herein provided, such Material Exception shall be a Permitted Exception. In the event Purchaser gives timely written notice of objection to any Material Exception as herein provided, the provisions of Section 2.3 (b) - (d) shall apply with respect thereto as if set forth herein in full. Time is of the essence with respect to the provisions of this Section 2.5. As used herein, a "Material Exception" shall be any right or claim of a third party to fee title to the Properties, any lien against the Properties not otherwise permitted hereunder or any other matter not otherwise permitted under this Agreement which would materially and adversely interfere with the Purchaser's use and operation of the Properties.

### ARTICLE III

#### INSPECTION PERIOD

3.1 Right of Inspection. During the period beginning upon the Effective Date and ending at 5:00 p.m. (local time at the Property) on the twentieth (20<sup>th</sup>) day after the Effective Date (hereinafter referred to as the "Inspection Period"), Purchaser, or its authorized representatives and agents, shall have the right to make a physical inspection of the Properties, including tests, surveys, studies and inspections, at the sole cost of Purchaser. Purchaser understands and agrees that any on-site inspections of the Properties shall be conducted during business hours (8 a.m. – 5 p.m.) upon at least twenty-four (24) hours' prior notice to Seller (attention: Real Estate Manager, 313.576.0944, or tammy.deane@detroitk12.org) and in the presence of Seller or its representative. Purchaser agrees to release Seller, to the extent permitted by law, indemnify against and hold Seller harmless, from any claim for liabilities, costs, expenses (including reasonable attorneys' fees actually incurred) damages or injuries arising out of or resulting from the inspection of the Properties by Purchaser or its agents. All inspections

Page 5

shall occur at reasonable times agreed upon by Seller and Purchaser, shall be conducted so as not to interfere unreasonably with use of the Properties by Seller, and Purchaser agrees to take reasonable efforts to repair any damage to, and restore, the Properties to their condition existing prior to initiation of activities permitted under this Section 3.1. Purchaser also agrees to maintain comprehensive general liability (occurrence) insurance in terms and amounts satisfactory to Seller covering any accident arising in connection with the presence of Purchaser, its agents and representatives on the Properties. Purchaser is self-insured. Notwithstanding anything to the contrary in this Agreement, the release, indemnity and hold harmless provisions contained in this section of the Agreement shall survive the Closing or any prior termination of this Agreement.

3.2 Right of Termination. Seller agrees that in the event Purchaser determines (such determination to be made in Purchaser's sole and absolute discretion) that the Properties are not suitable for its purposes, or Purchaser determines, for whatever reason, or for no reason, not to proceed with the purchase of the Properties, Purchaser shall have the right to terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Inspection Period. If Purchaser gives such notice of termination within the Inspection Period, this Agreement shall terminate. Time is of the essence with respect to the provisions of this Section 3.2. If Purchaser fails to give Seller a notice of termination prior to the expiration of the Inspection Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 3.2 and (subject to the provisions of Section 2.5) shall be bound to proceed to Closing and consummate the transaction contemplated hereby pursuant to the terms of this Agreement. Purchaser's right to terminate this Agreement after the Inspection Period and prior to the date of Closing is governed by the provisions of Sections 4.2(c) and 6.2. Any other termination by Purchaser will release Seller from all liability.

3.3. Seller's Delivery of Reports and Documents. Seller shall, within seven (7) days after the Effective Date hereof, deliver to, or make available for purpose of copying by, Purchaser, any and all studies, engineering reports, inspection reports, environmental and hazardous material tests, assessments or analyses, surveys, prior title insurance commitments and/or policies, building plans or drawings, site plans and other similar documents in Seller's possession or available to Seller relating to the Properties. If this Agreement is terminated, the information provided shall be returned immediately to Seller; otherwise, Purchaser may retain the information.

## ARTICLE IV

### CLOSING

4.1 Time and Place. The consummation of the transaction contemplated hereby ("Closing") shall be held at the offices of the Title Company on a date mutually agreed upon by the parties and, in any event, no later than November 30, 2014. At Closing, Seller and Purchaser

shall perform the obligations set forth in Section 4.2 and Section 4.3, respectively, the performance of which obligations shall be concurrent conditions to Closing.

4.2 Seller's Obligations at Closing. At Closing, Seller shall:

(a) deliver to the Title Company duly executed quitclaim deeds (the "Deeds") for each of the Properties in recordable form, conveying the Land and Improvements, subject to the Permitted Exceptions and in "AS IS" condition as of the Closing Date, to be held in escrow pursuant to a mutually agreeable deed escrow agreement, substantially in the form attached hereto as Exhibit C;

(b) deliver to Purchaser a duly executed bill of sale conveying the Personal Property without warranty of title or use and without warranty, expressed or implied, as to merchantability and fitness for any purpose;

(c) deliver to Purchaser a certificate, dated as of the date of Closing, and executed on behalf of Seller by a duly authorized officer thereof, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the date of Closing. Such certificate shall expressly state that it is made subject to the limitations of survival and rights with respect thereof set forth in Section 5.3 of this Agreement. If Seller discovers that any of the representations or warranties made by Seller in Section 5.1 of this Agreement were not on the date hereof or are not on the date of Closing true and correct in all material respects, Seller shall include such statement of facts in such certificate as shall be necessary or appropriate to make such representations and warranties true and correct in all material respects as of the date hereof and of the date of Closing. If, as a result of any disclosures made in such certificate, the warranties and representation set forth in this Agreement were not on the date hereof or are not on the date of Closing true and correct in all material respects for any reason other than the occurrence of an event expressly permitted hereunder, the condition set forth in Section 4.6(b) of this Agreement shall not be fulfilled, in which event Purchaser's sole remedy shall be either to (a) waive such condition and close without adjustment of the purchase price or (b) terminate this Agreement and neither party shall have any further rights or obligations hereunder;

(d) deliver to Purchaser such evidence as Purchaser's counsel and/or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(e) deliver to Purchaser an affidavit duly executed by Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act;

(f) deliver to Purchaser possession and occupancy of the Properties, subject to the Permitted Exceptions;

(g) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

4.3 Purchaser's Obligations at Closing. At Closing, Purchaser shall:

(a) pay to Seller the full amount of the Purchase Price in the form described in Section 1.5, with instruments and receipts evidencing such in the form satisfactory to the Seller;

(b) deliver to Seller a letter duly executed by Purchaser, confirming that Purchaser is not acquiring the Propertyies in whole or part with the assets of an employee benefit plan (an "Employee Benefit Plan") as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and, in the event Purchaser is unable or unwilling to make such a representation, Purchaser shall be deemed to be in default hereunder, and Seller shall have the right to terminate this Agreement;

(c) deliver to Seller a certificate, dated as of the date of Closing, and executed on behalf of Purchaser by a duly authorized officer thereof, stating that the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the date of Closing. Such certificate shall expressly state that it is made subject to the limitations of survival and rights with respect thereof set forth in Section 5.3 of this Agreement;

(d) deliver to Seller a certificate, dated as of the date of Closing, and executed on behalf of Purchaser by a duly authorized officer thereof, stating that the amounts to be paid by Seller pursuant to Section 1.5 of this Agreement represent payment for services performed by or on behalf of Purchaser's departments and that neither the obligations or amounts related thereto for any services and inspections performed have or will be sent to a collection agency or have or will be included in any bankruptcy plan and if so included will be immediately removed upon payment thereof;

(e) deliver to Seller such evidence as Seller's counsel and/or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser and approving the transactions contemplated by this Agreement, including but not limited to resolutions of the Purchaser's City Council; and

(h) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

4.4 Credits and Pro-rations.

(a) The following shall be apportioned with respect to the Properties as of 12:01 a.m., on the day of Closing, as if Purchaser were vested with title to the Properties during the entire day upon which Closing occurs:

(i) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing (the Seller shall request a meter reading as close as possible to the Closing);

(ii) any other operating expenses or other items pertaining to the Properties which are customarily prorated between a purchaser and a seller in the area in which the Properties are located; and

(iii) taxes, if any (including personal property taxes on the Personal Property) and assessments levied against the Properties.

(b) The provisions of this Section 4.4 shall survive Closing.

4.5 Closing Costs. Seller shall pay (a) the fees of any counsel and/or brokers representing it in connection with this transaction, (b) the fee for the title examination and the Title Commitment; and (c) any transfer tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Properties, and which are customarily paid for by Seller. Purchaser shall pay (aa) the fees of any counsel representing Purchaser in connection with this transaction; (bb) the fees for recording the deed conveying the Properties to Purchaser; (cc) any transfer tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Properties, and which are customarily paid for by Purchaser; and (dd) and the premium for the Owner's Policy of Title Insurance to be issued to Purchaser by the Title Company at Closing and any fee for a mortgage insurance policy. All other costs and expenses incident to this transaction and the Closing thereof shall be paid by the party incurring same.

4.6 Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Purchaser in its sole reasonable discretion:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including, but not limited to, those provided for in Section 4.2.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Effective Date and as of the date of Closing (with appropriate modifications permitted under this Agreement or not adverse to Purchaser).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

4.7 Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole reasonable discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in Section 1.5 of this Agreement, documented and evidenced in a form satisfactory to the Seller in its sole discretion. Such documentation shall include cancelled invoices and a receipt showing the Seller's balance as zero as of October 31, 2014.

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including, but not limited to, those provided for in Section 4.3.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Effective Date and as of the date of Closing (with appropriate modifications permitted under this Agreement or not adverse to Seller).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing.

## ARTICLE V

### REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Purchaser as of the Effective Date:

(a) Organization and Authority. Seller has been duly organized and is validly existing under the laws of the State of Michigan. Seller has, or as of the Closing Date, will have, the full right and authority to enter into this Agreement and to transfer all of the Properties to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. To Seller's knowledge, there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against the Properties or the transaction contemplated by this Agreement, which,

if adversely determined, could individually or in the aggregate have a material adverse effect on title to the Properties or any portion thereof or which could in any material way interfere with the consummation by Seller of the transaction contemplated by this Agreement.

(c) No Violations. To Seller's knowledge, and subject to Purchaser's agreement to purchase the Properties in "AS IS" condition, Seller has not received prior to the Effective Date any written notification from any governmental or public authority (i) that the Properties are in violation of any applicable fire, health, building, use, occupancy or zoning laws where such violation remains outstanding and, if not addressed, would have a material adverse effect on the use of the Properties as currently owned and operated or (ii) that any work is required to be done upon or in connection with the Properties, where such work remains outstanding and, if not addressed, would have a material adverse effect on the use of the Properties as currently owned and operated.

(d) Condemnation. To Seller's knowledge, no condemnation proceedings relating to the Properties are pending or threatened.

5.2 Knowledge Defined. References to the "knowledge" of Seller shall refer only to the actual knowledge of the Designated Employees (as hereinafter defined) of Seller, and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller, or any affiliate of Seller, to any property manager, or to any other officer, agent, manager, representative or employee of Seller any affiliate thereof or to impose upon such Designated Employees any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. As used herein, the term "Designated Employees" shall refer to the following persons:

Real Estate Manager.

5.3 Survival of Seller's Representations and Warranties. Except for the representations contained in the last two sentences of Section 5.1(a), which shall survive for one year, the representations and warranties of Seller set forth in Section 5.1 as updated by the certificate of Seller to be delivered to Purchaser at Closing in accordance with Section 4.2(c) hereof, shall survive Closing for a period of ninety (90) days. No claim for a breach of any representation or warranty of Seller shall be actionable or payable (a) if the breach in question results from or is based on a condition, state of facts or other matter which was known to Purchaser prior to Closing, (b) unless the valid claims for all such breaches collectively aggregate more than Five Thousand Dollars (\$5,000.00), in which event the full amount of such claims shall be actionable, and (c) unless written notice containing a description of the specific nature of such breach shall have been given by Purchaser to Seller prior to the expiration of said ninety (90) day period and an action shall have been commenced by Purchaser against Seller within one hundred eighty (180) days of Closing. For actions based on the last two sentences

Section 5.1(a), the ninety (90) day period and one hundred eighty (180) days in Section 5.3(c) hereof shall become one (1) year and one (1) year and one hundred eighty (180) days, respectively. The remainder of Section 5.3 shall remain unchanged.

5.4 No Maintenance and Security by Seller. Purchaser understands and agrees that the Properties are no longer actively operated by Seller and, as such, the Seller does not maintain the Properties, provides minimal or no security and maintenance and that the Properties may be subject to vandalism, theft and break-ins. Accordingly, Seller informs Purchaser that it may be in Purchaser's best interest to provide for monitoring and security, at its sole cost and expense. In the event that Purchaser chooses to provide such monitoring and security, Seller and Purchaser shall cooperate reasonably with each other to facilitate the monitoring and security, including but not limited to executing any applicable waiver documents and providing access to the Properties.

5.5 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller:

(a) Purchaser has the full right, power and authority to purchase the Properties as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been, or by the Closing will have been, taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) There is no action (including the current Chapter 9 action instituted by the Purchaser), suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(c) Purchaser has not transferred or otherwise assigned any of the Debt and/or none of the invoices owed by the Seller to the Purchaser for the Debt have been assigned or transferred to any third party.

(d) Purchaser has inspected and examined, or prior to the Closing, will inspect and examine, the aspects of the Properties and their current condition that the Purchaser believes relevant to its decision to purchase the Properties and Purchaser, accepts the Properties AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS, including, without limitation, all environmental conditions.

(e) From and after the Closing Date, even if title remains with the Seller, Purchaser shall have responsibility for the Properties, including, but not limited to, any applicable maintenance, monitoring and security.

5.6 Survival of Purchaser's Representations and Warranties. The representations and warranties of Purchaser shall survive Closing for a period of ninety (90) days, except for Section 5.5(b) which shall survive for one year.

5.7 Covenants of Purchaser. (a) Purchaser may, in connection with its investigation of the Properties during the Inspection Period, inspect the Properties for the presence of Hazardous Substances (as defined in this Section 5.7), and shall furnish to Seller copies of any reports received by Purchaser in connection with any such inspection, provided Seller pays Purchaser for the actual cost of obtaining copies of such report(s). Prior to the expiration of the Inspection Period, in the event that such reports, tests or studies indicate that additional investigation may be required, either Seller or Purchaser may request (at the cost of the party requesting same) that such additional investigation be undertaken provided that neither Seller nor Purchaser shall be obligated to undertake any such additional investigation and either Purchaser or Seller shall be entitled to terminate this Agreement rather than proceed with any such additional investigation.

Purchaser hereby assumes full responsibility for such inspections and irrevocably waives any claim against Seller arising from the presence of Hazardous Substances on the Properties within the Inspection Period and during any period that Deeds are held in escrow. Purchaser shall also furnish to Seller copies of any other reports received by Purchaser relating to any other inspections of the Properties conducted on Purchaser's behalf, if any (including, specifically, without limitation, any reports analyzing compliance of the Properties with the provisions of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §12101, et seq., if applicable), provided Seller pays Purchaser for the actual cost of obtaining copies of such report(s). As used herein, "Hazardous Substances" means all hazardous or toxic materials, substances, pollutants, contaminants, or wastes currently identified as a hazardous substance or waste in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as "CERCLA"), as amended, the Superfund Amendments and Reauthorization Act (commonly known as "SARA"), the Resource Conservation and Recovery Act (commonly known as "RCRA"), or any other federal, state or local legislation or ordinances applicable to the Properties .

## ARTICLE VI

### DEFAULT

6.1 Default by Purchaser. If Purchaser fails to perform any of its obligations under this Agreement for any reason other than Seller's default or the permitted termination of this Agreement by either Seller or Purchaser as herein expressly permitted, Seller shall have the right, in its sole discretion, to (a) terminate this Agreement, and/or (b) enforce specific performance of Purchaser's obligation to execute the documents and pay the Purchase Price required for Seller to convey the Properties to Purchaser. Seller shall give 10 days notice and an opportunity to cure

for any Purchaser breach of this Agreement occurring at least 10 days prior to the agreed upon date of Closing. Seller may, at its option, but shall not be required to, give notice and an opportunity to cure any breach by Purchaser occurring less than 10 days prior to the agreed upon date of Closing.

6.2 Default by Seller. In the event that Seller fails to perform any of its obligations under this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Seller or Purchaser as herein expressly provided, Purchaser, after providing Seller with 10 days notice and an opportunity to cure, shall be entitled to terminate this Agreement and release Seller from any and all liability hereunder.

## ARTICLE VII

### RISK OF LOSS

7.1 Damage or Condemnation. In the event of loss or damage to the Properties as a result of fire or another casualty (which definition for purposes of this Agreement does not include vandalism, theft and break-ins), or any portion thereof, or condemnation, this Agreement shall remain in full force and effect and subject to the other provisions contained herein, and Seller, at its option in its sole reasonable discretion, may (a) elect to perform any necessary repairs to the Properties prior to Closing, or (b) offer the Purchaser a reduction in the Purchase Price, or (c) if in the event of a condemnation, assign to Purchaser, Seller's rights to receive any awards that may be made for such taking. In the event that Seller performs repairs upon the Properties, Seller shall use reasonable efforts to complete such repairs promptly and the date of Closing shall be extended a reasonable time in order to allow for the completion of such repairs. In the event that Purchaser does not agree to accept the offered reduction in the Purchase Price or condemnation amount, Purchaser's sole remedy shall be to terminate the Agreement. Upon Closing, full risk of loss with respect to the Properties shall pass to Purchaser. Purchaser may waive any of the provisions of this paragraph and close on the purchase of the Properties on the date of Closing.

## ARTICLE VIII

### COMMISSIONS

8.1 Brokerage Commissions. Each party represents to the other that there has been no broker or finder engaged in connection with the sale of the Properties. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder by,

through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this paragraph shall survive Closing.

## ARTICLE IX

### DISCLAIMERS AND WAIVERS

9.1 No Reliance on Documents. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Properties which is delivered by Seller to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Seller to Purchaser, but rather will rely on its own inspections and investigations of the Properties and any reports commissioned by Purchaser with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such report delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report.

9.2 DISCLAIMERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S LIMITED COVENANT OF TITLE TO BE SET FORTH IN THE DEEDS), ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTIES WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF THE PROPERTY DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTIES. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTIES "AS

IS, WHERE IS, WITH ALL FAULTS”, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT. PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTIES OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTIES) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTIES, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT. PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTIES, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTIES AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTIES, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER’S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER TO THE EXTENT PERMITTED BY LAW (AND SELLER’S OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS’ FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER’S OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTIES. PURCHASER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION OR REMOVAL OF HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTIES BE REQUIRED AFTER THE

DATE OF CLOSING, SUCH CLEAN-UP, REMOVAL OR REMEDIATION SHALL BE THE RESPONSIBILITY OF AND SHALL BE PERFORMED AT THE SOLE COST AND EXPENSE OF PURCHASER.

9.3 Effect and Survival of Disclaimers. Seller and Purchaser acknowledge that the compensation to be paid to Seller for the Properties takes into account that the Properties are being sold subject to the provisions of this Article IX. Seller and Purchaser agree that the provisions of this Article IX shall survive Closing.

## ARTICLE X

### MISCELLANEOUS

10.1 Confidentiality. All information (collectively, "Inspection Material") acquired by Purchaser or any of its Representatives (as hereinafter defined) with respect to the Properties, whether delivered by Seller or any of its Representatives or obtained by Purchaser as a result of its inspection of the Properties, examination of Seller's files or otherwise shall be used solely for the purpose of determining whether or not the Properties are suitable for Purchaser's purpose and for no other reason. All Inspection Material shall be kept in strict confidence and, unless otherwise required by law, shall not be disclosed to any individual or entity other than those Representatives of Purchaser who need to know the information for the purpose of assisting Purchaser in making such determination. Purchaser will, to the extent permitted by law, indemnify and hold Seller harmless from and against any and all loss, liability, cost, damage or expense Seller may suffer or incur as a result of the improper disclosure of any Inspection Material to any individual or entity other than an appropriate Representative of Purchaser and/or the use of any Inspection Material by Purchaser or any Representative thereof for any purpose other than as herein provided. As used herein, "Representative" shall mean any employee, officer, director, shareholder, partner, owner, affiliate, agent or representative of a party. If Purchaser shall elect to terminate this Agreement or if the Closing shall fail to take place for any other reason whatsoever, Purchaser will, promptly following Seller's request therefor, return to Seller all Inspection Material previously delivered by Seller or any of its representatives which is in the possession of Purchaser or any of its Representatives and destroy all copies, notes or extracts thereof as well as all copies of any analyses, compilations, studies or other documents prepared by Purchaser or for its use (whether in written form or contained in database or other similar form) containing or reflecting any Inspection Material. In the event of a breach or threatened breach by Purchaser or its Representatives of this Section 10.1, Seller shall be entitled to an injunction restraining Purchaser or its Representatives from disclosing, in whole or in part, any Inspection Material. Nothing herein shall be construed as prohibiting Seller from pursuing any other available remedy at law or in equity for such breach or threatened breach. The provisions of this Section shall not survive the Closing, but shall continue in full force and effect

notwithstanding the prior termination of this Agreement pursuant to any right of termination granted herein or otherwise.

10.2 Public Disclosure. Prior to Closing, any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Purchaser and Seller and their respective counsel or as required by law.

10.3 Discharge of Obligations. The acceptance of the Deeds by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which are herein specifically stated to survive Closing.

10.4 Assignment. (a) Purchaser may not assign its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion. The assignment of any of Purchaser's rights under this Agreement without Seller's prior written consent or any transfer, directly or indirectly, of any stock, partnership interest or other ownership interest in Purchaser without Seller's written approval, which consent or approval, as the case may be, may be given or withheld in Seller's sole discretion, shall constitute a default by Purchaser under this Agreement.

(b) Purchaser shall give Seller prior written notice of any proposed assignment of this Agreement or proposed transfer, directly or indirectly, of any stock, partnership or other ownership interest in Purchaser. Such notice shall identify the proposed assignee or transferee and the constituent individuals and/or entities thereof. Purchaser shall in addition cause to be delivered to Seller such further information with respect to the proposed assignee or transferee and the constituent individuals and/or entities thereof, as Seller may request. Seller's consent to any such assignment or transfer shall not relieve Purchaser of its obligations under this Agreement.

10.5 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) legible facsimile transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that an original of such facsimile is also sent to the intended addressee by means described in clauses (a), (b) or (c)

above. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller:

Real Estate Department  
Detroit Public Schools  
1601 Farnsworth  
Building C  
Detroit, MI 48211  
(313) 576.0944  
Facsimile: (313) 576-0951  
Email: tammy.deane@detroitk12.org

With a copy to:

General Counsel  
Detroit Public Schools  
3011 W. Grand Blvd., 10<sup>th</sup> Floor  
Detroit, MI 48202  
(313) 873-4528  
Facsimile: (313) 873-4564  
Email: jean-vierre.adams@detroitk12.org

If to Purchaser:

City of Detroit  
Planning & Development Department  
2 Woodward Ave.  
Attention: Director  
313-224-6380

With a copy to:

City of Detroit Law Department  
2 Woodward Ave, Suite 500  
Detroit MI 48226-3535  
Attention: Corporation Counsel  
313-224-1352

10.6 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless

such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

10.7 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the State in which the Properties are located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5 p.m., local time.

10.8 Successors and Assigns. The terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto.

10.9 Entire Agreement. This Agreement, including the Exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

10.10 Further Assurances. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Properties. The provisions of this Section 10.10 shall survive Closing.

10.11 Counterparts. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

10.12 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

10.13 Applicable Law. This Agreement is performable in the state in which the Properties are located and shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of such state. Seller and Purchaser hereby irrevocably submit to the jurisdiction of any state or federal court sitting in the state in which the Properties are located in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in a state or federal court sitting in the state in which the

Properties are located. Purchaser and Seller agree that the provisions of this section 10.13 shall survive the Closing of the transaction contemplated by this Agreement.

10.14 No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

10.15 Exhibits. The following exhibit attached hereto shall be deemed to be an integral part of this Agreement:

Exhibit A - Legal Description of the Land

Exhibit B - Excluded Personal Property

Exhibit C - Form of Deed Escrow Agreement

Exhibit D - Properties List with Property Values

10.16 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

10.17 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto. Where the context requires, the word "Properties" shall be read as Property and vice versa.

10.18 Termination of Agreement. It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

10.19 Survival. The provisions of this Article 10 and of the following Sections of this Agreement shall survive Closing or any termination of this Agreement prior thereto and shall not be merged into the execution and delivery of the Deeds: 3.1 (Right of Inspection); 4.4 (Credits and Pro-rations); 5.3 (Survival of Seller's Representations and Warranties); 5.6 (Survival of Purchaser's Representations and Warranties); 8.1 (Broker's Commissions) and 9.3 (Effect and

Survival of Disclaimers). The foregoing is in addition to and not in exclusion of any survival provisions elsewhere set forth in this Agreement.

10.20 No Recordation. Neither this Agreement nor any memorandum of the terms hereof shall be recorded or otherwise placed of public record and any breach of this covenant shall, unless the party not placing same of record is otherwise in default hereunder, entitle the party not placing same of record to pursue its rights and remedies under Article VI.

10.21 Indemnification. The Purchaser agrees to release Seller, its agents, officials and employees from, and, to the extent provided by law, shall indemnify and save harmless the Seller, its agents, officials and employees against and, from all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, fees and expenses of attorneys, whether inside or outside counsel, expert witnesses and other consultants) which may be imposed upon, incurred by or asserted against the Seller by reason of the following occurring during the term of this Agreement and particularly, but not solely, during the Inspection Period, and any applicable period during which the Deeds are held in escrow: any negligent or tortuous act or omission of the Purchaser or its agents, employees or assigns resulting in personal injury, bodily injury, sickness, disease or death, or injury to or destruction of tangible and/or real property, including the loss of use therefrom.

*Signatures on the following Page*

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the dates set forth below.

**SELLER:**

SCHOOL DISTRICT OF THE CITY OF  
DETROIT

a Michigan public corporation

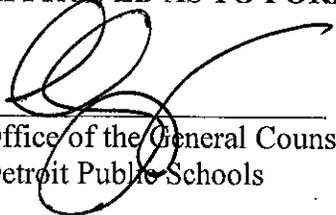
By: Jak Marti

Name: JAK MARTI

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Office of the General Counsel  
Detroit Public Schools

**PURCHASER:**

CITY OF DETROIT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Duly authorized Officer of the Seller

Dated: \_\_\_\_\_, 20\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City of Detroit Law Department

Exhibit A

**LEGAL DESCRIPTION OF THE LAND**

The following premises situated in the City of Detroit, County of Wayne, State of Michigan:

To Come

Exhibit B

**EXCLUDED PERSONAL PROPERTY**

Exhibit C

**FORM OF DEED ESCROW AGREEMENT**

## DEED ESCROW AGREEMENT

Effective Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

This Deed Escrow Agreement is between:

**Seller:** School District of the City of Detroit

&

**Purchaser:** City of Detroit, Acting Through its Planning & Development Department

&

**Escrow Agent:** First American Title Insurance Company  
100 Bloomfield Hills Parkway, Ste. 195  
Bloomfield Hills, MI 48304

This Deed Escrow Agreement ("Escrow Agreement") is entered into at the same time as the above Seller and Purchaser have entered into that certain Purchase and Sale Agreement ("Purchase Agreement") for the sale of seventy-seven (77) properties in the City of Detroit, Michigan ("Properties") to Purchaser.

**WHEREAS**, the Closing will take place on \_\_\_\_ / \_\_\_\_ / \_\_\_\_ at \_\_\_\_: \_\_\_\_ AM / PM at the Detroit offices of the Escrow Agent; and

**WHEREAS**, pursuant to the Purchase Agreement and at the Closing, Purchaser has paid to Seller the Purchase Price in the form of a Certification of Satisfaction of Debt Letter; and

**WHEREAS**, pursuant to the Purchase Agreement and at the Closing, Seller has transmitted to the Escrow Agent a fully executed quit claim deed for each of the Properties being sold to Purchaser ("Deeds"); and

**NOW THEREFORE**, in connection with the above referenced matter, Seller and Purchaser do hereby authorize Escrow Agent to hold the Deeds in escrow according to the following terms and conditions:

- 1.01 The Deeds shall remain unrecorded and in the possession of the Escrow Agent until the Purchaser has completed environmental assessments ("Assessments") for each of the Properties to the sole satisfaction of the Purchaser. Upon completion of the Assessments for an individual property, the Purchaser shall provide the Escrow Agent written notification of whether it intends to accept or refuse that respective property pursuant to Section 2.4 of the Purchase Agreement. The Seller shall be copied by the Purchaser on each such notice.

- 1.02 Acceptance of a Property by Purchaser. When the Escrow Agent receives written notification from Purchaser that it shall accept a respective property after Assessments have been completed to the satisfaction of Purchaser, the Escrow Agent is hereby authorized to release the deed for that respective property to the Purchaser and shall promptly record such released deed.
- 1.03 Refusal of a Property by Purchaser. If an Assessment for a respective property returns unexpected (as defined in the Purchase Agreement) environmental concerns, the Purchaser, at its sole discretion, may refuse to accept that respective property. When the Escrow Agent receives written notification from Purchaser that it shall refuse a respective property after Assessments have been completed to the satisfaction of Purchaser, the Escrow Agent shall return the deed for that respective property to the Seller and title for that property shall remain with the Seller.
- 1.04 This Escrow Agreement may be terminated by mutual agreement of the parties or in accordance with Section 2.4 of the Purchase Agreement. This Escrow Agreement shall become null and void upon the delivery of all Deeds, either to the Purchaser or Seller in accordance with this Escrow Agreement.
- 1.05 The Escrow Agent shall incur no liability whatsoever to anyone, except for its acts in bad faith and willful misconduct or gross negligence. All parties excuse and hereby release the Escrow Agent for all acts done or omitted in good faith.
- 1.06 This Escrow Agreement shall be governed by the laws of the State of Michigan.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Escrow Agreement as follows:

**SELLER:**  
 SCHOOL DISTRICT OF THE CITY OF DETROIT  
 a Michigan public corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**PURCHASER:**  
 CITY OF DETROIT

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**RECEIPT OF ESCROW DEEDS**

Escrow Agent acknowledges receipt of the Deeds to be held in accordance with the terms of the foregoing Escrow Agreement. Escrow Agent and its underwriter do not assume and shall not be liable for the performance or nonperformance of any party to this Escrow Agreement.

**ESCROW AGENT:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Exhibit D

**PROPERTIES LIST WITH PROPERTY VALUES**

## Summary

	Property Type	# of Properties	Total Sq. Footage	Associated Acreage	Value
1	Properties with Buildings	53	2,954,957	188.7	\$ 7,627,464
2	Vacant Land	19	na	51.94	\$ 2,562,568
3	Properties with Cell Towers	3	173,025	8.73	\$ 585,154
4	Properties with Land Leases (Parking Lots)	2	255,868	6.05	\$ 351,241
	Total	77	3,283,048	255.42	\$ 11,126,426

Property Sites	Address	Location East or West	Site Acres	Bldg (GSF)	Year Built	Actual Appraised Value	Appraisal Year	Estimated Value Based on Avg. Appraised Pricing
1	Arthur Middle	E	3.8	37,472	1930	65,000	2014	\$ 139,653.30
2	Bethune Primary	W	3.8	82,149	1922	-	2014	-
3	Birney Elementary	W	5.6	55,001	1963	140,000	2014	-
4	Blackwell Middle	E	0.3	11,390	1963	20,000	2014	\$ 84,575.00
5	Burt PK-5	W	3.4	49,750	1925	-	2014	\$ 81,926.40
6	Cadillac Middle	W	2.8	48,192	1919	-	2014	-
7	Carstens Elementary	E	2.1	91,217	1915	182,000	2014	\$ 91,757.50
8	Chandler PK-5	E	2.9	53,975	1905	-	2014	\$ 80,688.80
9	Coffey K-8	W	3	47,484	1925	-	2014	\$ 97,797.80
10	Coolidge Elementary	W	3	57,528	1925	-	2014	-
11	Crockett High School	E	2.2	129,592	1924	175,000	2014	-
12	Crosman (Included City/tp)	W	2.15	43,896	1911	60,000	2014	-
13	Crosman (Included City/tp)	W	10.69	138,056	1920	415,000	2013	-
14	Detroit Open	W	3.77	35,500	1925	-	2014	\$ 60,350.00
15	Detroit Transition East	E	5.44	86,400	1924	260,000.00	2014	-
16	Detroit Transition West	W	1.34	58,223	1926	-	2014	\$ 98,979.10
17	Dixon K-8	W	3.7	60,554	1930	-	2014	\$ 102,941.80
18	Finney High School	E	3.58	133,603	1927	190,000	2014	-
19	Fisher Magnet / Burbank	E	3.9	80,448	1930	-	2010	\$ 136,761.60
20	Fox Elementary	W	0.2	6,550	1962	100,000	2010	-
21	Garvey K-8	E	4.0	48,141	1962	-	2011	\$ 81,859.70
22	Gompers Elementary	W	0.67	29,519	1954	370,000	2011	-
	Greenfield Park Elementary and its surrounding vacant land	E	3.6	72,296	1916	-	2014	\$ 122,903.20
24	Guyton Elementary	E	4.4	47,264	1921	233,000	2014	-
25	Hanneman Elementary	W	1.8	45,968	1916	-	2014	\$ 78,145.60
26	Healy International	W	4.2	17,828	1949	235,000	2014	-
27	Higinbotham Commerce	W	5.0	61,400	1928	-	2014	\$ 104,380.00
28	Holcomb Elementary	W	5.6	48,241	1924	230,000	2014	-
29	Hosmer Elementary	E	3.7	48,920	1921	-	2014	\$ 83,164.00
30	Hubert Elementary	W	6.3	72,770	1921	275,000.00	2014	-
31	Hutchinson Elementary	E	2.4	55,672	1917	580,000	2011	-
32	J. R. King Elementary	W	4.4	52,100	1930	250,000	2014	-
33	Jamieson PK-6	W	4.0	64,930	1961	-	2014	\$ 110,381.00
34	Jamieson - OLD	W	3.2	39,935	1924	230,000	2014	-
35	JITPA Nursing	W	1.3	56,059	-	-	-	\$ 95,300.30
36	Kosciusko Elementary	W	1.6	31,222	1955	-	-	\$ 53,077.40
	Lynch Elementary	E	1.6	43,032	1914	75,000	2014	-
38	Maccomb Elementary	E	2.1	25,189	1928	50,000	2014	-
39	Malcom X Academy	W	2.2	37,700	1924	150,000	2013	-
40	Mark Twain Elementary	W	5.7	47,982	1961	60,000	2014	-
41	Marsh Elementary	W	3.65	23,296	1965	-	2013	\$ 39,603.20
42	Marshall, J Elementary	E	2.7	60,066	1928	270,000	2013	-
43	McCarrane PK-5	W	4.5	59,008	1925	-	2014	\$ 100,313.60
44	McKinley Day Treatment	E	4.0	48,092	1964	-	2014	\$ 81,756.40
45	Monnier Elementary	W	3.9	50,413	1923	-	2014	\$ 85,702.10
46	New Middle /A/F/A East	W	2.2	46,789	1948	82,000	2014	-
47	Parker Elementary	W	7.1	70,528	1926	-	2014	\$ 119,897.60
48	Parkman Elementary	W	3.7	42,758	1940	-	2014	\$ 72,688.60
49	Sampson Elementary	W	2.5	69,897	1979	170,000	2014	-
50	Sherill Elementary	W	8.3	73,000	1923	-	2014	\$ 124,100.00
51	Shephers Elementary	E	1.7	83,400	1913	-	2014	\$ 141,780.00
52	Weatherly Elementary	W	3	26,621	1955	45,000	2014	-

Exhibit D



	Site Name	ADDRESS	Location East or West	Site Acres	Actual Appraised Value	Appraisal Year	Estimated Value Based Upon Avg. Appraised Pricing
1		1117 CLAY	E	0.08	\$4,000	2012	-
2	Maat (Robinson)	12700 GROVER	E	3.78	-		\$177,728
3		19249 JOHN R	E	0.09	-		\$4,324
4		2510 BROOKLYN	W	0.06	\$40,000	2012	-
5	Owen	3019 16TH ST, 3027 16TH, 3035 16TH, 3043 16TH	W	3.30	-		\$155,100
6		3500 E SEVEN MILE	E	0.45	-		\$21,150
7	Joy	4819 FAIRVIEW	E	10.74	\$460,000	2014	-
8	Woodward	6209 LAWTON	W	3.14	-		\$147,368
9	Tappan	7501 WEBB, 7515 ELMHURST, 7600 BURLINGAME, 7601 WEBB, 10530 BRYDEN	W	5.75	\$305,000	2013	-
10		8323 HOLMUR	W	1.88	-		\$88,360
11		8830 PETOSKEY	W	1.03	-		\$48,595
12		3769 E CANFIELD	E	5.76	\$250,000	2014	-
13	Grayling	744 E ADELIN	E	2.95	\$185,000	2013	-
14	Trombly II	7630 E EDSEL FORD	E	3.07	\$180,000	2014	-
15	Ford	9663 MARLOWE	W	3.89	-		\$182,830
16		1040 WOODMERE	W	0.09	-		\$4,371
17		3733 STURTEVANT	W	0.10	-		\$4,700
18		6230 SHERIDAN	E	0.09	-		\$4,042
19	Sanders	8700 Byron	W	5.70	\$300,000	2013	
			<b>TOTAL</b>	<b>51.94</b>	<b>\$1,724,000</b>		<b>\$ 838,568</b>
					<b>Total Portfolio Value</b>		<b>\$ 2,562,568</b>
					<b>Avg. Price/acre</b>		<b>\$ 49,333</b>

Exhibit D

Property Sites	Address	Location East or West	Site Acres	Bldg (GSF)	Year Built	Demolition Rating(1-4)	Actual Appraised Value	Appraisal Year	Price per sq ft	Estimated Value Based on Avg. Appraised Pricing
1 Courville (cell tower)	18040 St Aubin	E	5.1	79,691	1921	2	-		0.00	\$ 135,474.70
2 Mason (cell tower)	19635 Mitchell	E	1.1	46,870	1938	4	-		0.00	\$ 79,679.00
3 Oakman Orthopedic (cell tower)	12920 Wadsworth	W	2.5	46,464	1942	1	\$ 370,000	2013	7.96	-
			8.7	173,025			\$ 370,000			215,153.70

**Total Portfolio Value \$ 585,154**

11/1/14

Status	Property Sites	Address	Zip Code	Location East or West	Site Acres	Status	Bldg (GSF)	Year Built	Demolition Rating (1-4)	Actual Appraised Value	Appraisal Year	Price per sq ft	Value Based on Avg. Appraised	Notes	
1 Demolition	Houghton Elementary	16745 Lamphete Street	48223	W	3.4	Available	58,268	1924	2				99,225.60	Existing License / Lease Agreement for Parking Month to Month Parking Lot License for \$100 per month until 1/31/2015	
2 Demolition	Detroit City High / Longfellow	13141 Rosa Parks Blvd	48238	W	2.65	Available	197,500	1916	1	\$ 250,000	2014	1.27	-	Metropolitan Missionary Baptist has a lease on the 14th Street parking lot until 12/1/2016 for \$1.00	
							255,868								
<b>Total Portfolio Value: \$ 351,241</b>															

Exhibit D