

AGENDA REPORT

TO: Mayor & City Commission
FROM: Ken Hibl, City Manager
DATE: September 1, 2010
RE: Purchase Agreement – MidMichigan Community Action Agency

For the Agenda of September 7, 2010

Background. By adoption of its Resolution 2010-090 (*copy att'd*), the City Commission conceptually approved a purchase agreement between the City of Clare and the MidMichigan Community Action Agency to secure a site for the relocation of the Clare Railroad Depot. The Commission is now asked to formally approve the agreement (*copy att'd*).

Issues & Questions Specified. Should the City Commission approve the purchase agreement between the City of Clare and the MidMichigan Community Action Agency?

Alternatives.

1. Approve the agreement.
2. Approve the agreement with modifications.
3. Do not approve the agreement.
4. Defer/delay/postpone decision regarding the date/time to a future scheduled Commission meeting.

Financial Impact. Approval of the agreement will commit the City to the expenditure of \$150K (minus the earnest money to be paid “up-front” which we recommend be \$25K) to be repaid to the MMCAA over a ten-year period at an interest rate of 4%.

Recommendations. I recommend that the City Commission approve the purchase agreement by adoption of the proposed Resolution 2010-092 (*copy att'd*).

Attachments.

1. Resolution 2010-090.
2. Agreement.
3. Resolution 2010-092.

RESOLUTION 2010-090

A RESOLUTION OF THE CLARE CITY COMMISSION CONCEPTUALLY APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF CLARE AND THE MICHIGAN COMMUNITY ACTION AGENCY.

WHEREAS, the City of Clare and the MidMichigan Community Action Agency (MMCAA) have formed a partnership to purchase a parcel of property to be used as a future site to relocate the historic Clare Railroad Depot; and

WHEREAS, said partnership is considered mutually beneficial; and

WHEREAS, it is deemed appropriate to formalize said partnership by outlining and conceptually approving the primary elements of said partnership to facilitate the progress of relocating and rehabilitating the Clare Railroad Depot.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby conceptually approves the partnership with the MidMichigan Community Action Agency to relocate and rehabilitate the Historic Clare Railroad Depot.

BE IF FURTHER RESOLVED THAT integral aspects of said partnership between said entities shall be the purchase of property (commonly referred to as the CarQuest Building) by MidMichigan Community Action Agency on behalf of the City of Clare; the donation of two additional, contiguous parcels by the MCAA to the City of Clare; the demolition of all buildings on said three property parcels; the repayment of the purchase price and the demolition costs by the City of Clare to the MidMichigan Community Action Agency, the terms and conditions of said repayment which shall be outlined in a formal agreement; and the assistance of MMCAA in fund raising, fund collection, and fund accounting for the relocation and rehabilitation of the Clare Railroad Depot.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner Bill Horwood and supported by Commissioner John Koch. The Resolution declared adopted by the following roll call vote:

YEAS: Bill Horwood, Pat Humphrey, John Koch and Jean McConnell.

NAYS: Tom Koch.

ABSENT: None.

Resolution approved for adoption on this 16th day of August 2010.

Diane Schmidt, City Clerk

REAL ESTATE PURCHASE AGREEMENT

This agreement (“Agreement”) is made and entered into as of September ___, 2010 (“Effective Date”), between Mid Michigan Community Action Agency, Inc., a Michigan Corporation, with a registered address of 1574 E. Washington, Farwell, MI 48622 (“Seller”) and the City of Clare, Clare County, Michigan, organized and existing under the Constitution and laws of the State of Michigan (“Buyer”) upon the terms and conditions stated below.

WHEREAS: Seller is the owner of certain real property located in the City of Clare, commonly known as ___ and ___ West Fourth Street, Clare, Michigan, 48617 and more particularly described on attached Exhibit A; and

WHEREAS: Seller has entered into an Option Agreement to purchase a third parcel, commonly known as 203 West Fourth Street, Clare, Michigan 48617 and more particularly described on attached Exhibit B; and

WHEREAS: Buyer desires to purchase the real property described on attached Exhibit A and B in a cleared and vacant condition pursuant to an Act 99 Installment Purchase Agreement to be funded by Seller; and

WHEREAS: Seller is agreeable to advance funding to provide for the demolition and removal of existing structures on all three parcels and to exercise its purchase option on the parcel described on attached Exhibit B on the condition Buyer shall be required to purchase said parcels pursuant to the terms and conditions contained herein;

NOW THEREFORE: Seller and Buyer enter into a binding purchase agreement upon the terms and conditions set forth below.

1. **Sale of Real Property.** Seller owns and/or has the right to purchase and agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, real estate commonly known as ____, ____, and 203, West Fourth Street, in the City of Clare, Clare County, Michigan 48617, more particularly described on attached Exhibit A and B (“Property”).

2. **Price and Payment.** Buyer agrees to pay Seller for the Property the sum of One Hundred Thousand (\$100,000.00) dollars plus the cost of demolition and removal of current buildings and structures located on the Property (presently estimated demolition cost is \$50,000.00) (“Purchase Price”), which shall be paid as follows:

A. The sum of \$_____ on the execution of this Agreement as an earnest money deposit (“Earnest Money”), to be deposited with Seller; and

B. The balance of the Purchase Price, subject to closing proration’s and adjustments, pursuant to the ACT 99 Installment Purchase Agreement in substantially the same form as attached hereto as Exhibit C.

3. **Title.** On the closing date, Seller shall execute and deliver to Buyer a Covenant Deed (“Deed”) conveying the Property in fee simple, subject to conditions, restrictions, and reservations of record on file in the Office of the Register of Deeds of Clare County, but otherwise free and clear of all liens, encumbrances, encroachments.

4. **Closing Costs.** Seller shall be obligated to pay the transfer taxes relating to the transfer of the Property. Buyer shall be obligated to pay the cost of recording the Deed. Buyer and Seller agree to each pay 1/2 of the cost of any closing agent conducting the closing. Each party shall pay its own attorney fees.

5. **Title Insurance.** At Seller’s cost, Seller shall furnish Buyer with a title insurance commitment on the Property issued through Gateway Title Company located in Clare, Michigan (“Title Company”). The title insurance commitment must show marketable title to the Property in Seller and in accordance with the terms and conditions of this Agreement. The title insurance commitment shall be furnished to Buyer not later than 30 days after the signing of this Agreement. Within 30 days after receipt of the title commitment, Buyer shall notify Seller in writing of any objections to the exceptions shown. Seller shall notify Buyer in writing within 10 days after receipt of such objections as to whether Seller will cure such objections prior to closing. If Seller does not agree to cure all objections of Buyer prior to closing, the Buyer may elect to terminate this Agreement on written notice to Seller and shall receive a refund of the Earnest Money.

6. **Buyer’s Inspection Opportunity.** Buyer’s obligation to purchase is conditioned on Buyer’s discretionary satisfaction with the Property based upon any tests, inspections, investigations, and surveys that Buyer cares to conduct (all at Buyer’s sole expense) during a 60-day inspection period following the date of this Agreement. Seller will use its best efforts to provide Buyer or its designees with reasonable access to the Property for such tests, inspections, investigations, and surveys. Buyer acknowledges that Seller does not currently have the right of possession or the right to grant access to the Property. Buyer will not conduct any invasive testing without Seller’s prior written consent. Buyer holds Seller harmless from any damages resulting from Buyer’s tests, inspections, investigations, and surveys. At any time during the 60-day inspection period, Buyer (for any reason) may give written notice to Seller that this Agreement is null and void, and, if such notice is given, the Earnest Money will be promptly returned to Buyer. If such notice is not given within the 60-day inspection period, the inspection condition is removed and Buyer shall be obligated to close (subject to satisfaction of all other conditions of Seller to close) the transaction.

7. **Possession.** Seller shall deliver possession of the Property to Buyer at the closing date set forth in Section 8.

8. **Closing Date.** The closing date shall be the date on which the parties shall agree, but shall be not later than _____, 2010.

9. **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 on by Seller and Buyer.

10. **Risk of Loss.** Risk of loss or damage to the Property shall rest with Seller until the time of delivery of possession. In the event, prior to delivery of possession to Buyer, the Property is damaged by casualty, or other cause, or in the event that condemnation proceedings are commenced against the Property or any part thereof, Buyer shall have the right to rescind this Agreement and thereupon Seller shall refund any payments that Seller or Agent has previously received from Buyer.

11. **Special Assessments.** Seller shall deliver to Buyer on the closing date a title insurance commitment showing that there are no special assessments of record as of the closing date.

12. **Taxes.** To the extent that either Seller or Buyer is obligated to pay real property taxes shall be prorated based on a calendar year.

13. **Real Estate Commission.** Each party shall be obligated to pay any real estate commission for any broker that it has retained to provide services in connection with this transaction. Each party represents to the other it has not engaged a broker as an agent in connection with this transaction.

14. **Seller's Representations and Warranties.** To induce Buyer to enter into this Agreement, Seller makes the representations, warranties, and covenants contained below, each of which is material to and is relied on by Buyer. Seller represents, warrants, and covenants as follows:

A. **Authority to Sell.** Seller has the right, power, and authority to enter into this Agreement and to sell the Property to Buyer in accordance with the Agreement's terms and conditions and will deliver satisfactory evidence of such right, power, and authority to Buyer at closing.

B. **Title.** Seller has good and marketable title to the Property or the right to purchase the Property free and clear of liens, security interests, or other encumbrances and restrictions of record. Seller has no knowledge of any claims of any other parties under any other leases, occupancy agreements, options, or rights of first refusal with respect to the Property.

15. **Conditions Precedent to Buyer's Obligations.** The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the fulfillment prior to and at the closing date of each of the following conditions:

A. **Representations and Warranties.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the closing date as though such representations and warranties were made at and as of such time;

B. **Performance.** Seller shall have in all material respects performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to and at the closing date;

C. Purchase Option. The Option period in connection with Seller's right to purchase Property subject to this Agreement shall not have expired and the exercise of said option shall have been completed and title transferred to Seller.

D. Unsatisfactory Inspection. Buyer shall not have terminated this Agreement in accordance with Section 6 of this Agreement.

16. "As Is" Transaction.

A. Buyer acknowledges that it will have been afforded a reasonable opportunity to conduct due diligence activities with respect to the Property. Buyer further acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents, or understandings, this Agreement constitutes the entire understanding of the parties with respect to the subject matter and supersedes any such prior or contemporaneous oral or written representations, statements, documents, or understandings. **BUYER FURTHER ACKNOWLEDGES THAT SELLER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EITHER EXPRESSED OR IMPLIED, EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT WITH RESPECT TO THE PROPERTY OR ANY RELATED MATTERS, AND THAT THE PROPERTY IS BEING TRANSFERRED TO BUYER IN "AS IS—WHERE IS CONDITION, WITH ALL FAULTS."** In particular, Seller makes no representations or warranties with respect to the use, physical condition, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations, or requirements relating to, zoning, subdivision, planning, building, fire, safety, health, or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations, or requirements.

B. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ENVIRONMENTAL CONDITION OF THE PROPERTY. BUYER SHALL RELY SOLELY ON ITS OWN INVESTIGATION AND REVIEW OF THE ENVIRONMENTAL CONDITION OF THE PROPERTY, AND ANY ENVIRONMENTAL REPORT(S) OR ASSESSMENT(S) OBTAINED BY BUYER IN MAKING ANY DECISIONS REGARDING THE SUITABILITY OF THE PROPERTY.

On closing, Buyer will be deemed to have accepted the Property in "as is—where is condition, with all faults," including the location and extent of boundaries, and the environmental condition of the Property.

17. Remedies.

A. If any of the events of default set forth in this Agreement shall occur and a defaulting party fails to cure the default within the express time period provided, the other party

may, at its option, terminate this Agreement or seek specific performance of this Agreement as its sole remedy. On such termination by Buyer, Buyer shall have the Earnest Money returned to it. No delay or omission of any party in exercising any remedies or power accruing on any event of default shall impair any remedies or power or shall be construed to be a waiver of any event of default or any acquiescence therein.

B. Notwithstanding the foregoing, if the sale contemplated by this Agreement shall fail to close for failure of any condition set forth in Section 15 D above, or due to Seller's inability to deliver an owners policy of title insurance in accordance with Section 5 of this Agreement, Buyer shall be entitled to a return of the Earnest Money as its sole remedy, and thereafter neither party shall have any other right or remedy against the other party.

18. **Severability.** If any noneconomic mutual term or provision of this Agreement or the application to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

19. **Further Assurances.** Each undersigned party will, whenever it shall be reasonably requested to do so by the other, promptly sign, acknowledge, and deliver, or cause to be signed, acknowledged, or delivered, any and all such further conveyances, confirmations, instruments, or further assurances and consents as may be necessary or proper to effectuate the covenants and agreements provided. Each of the undersigned parties shall cooperate in good faith with the other and shall do any and all other acts and sign, acknowledge, and deliver any and all documents so requested to satisfy the conditions set forth and to carry out the intent and purposes of this Agreement.

20. **Interpretations.** Any uncertainty or ambiguity shall not be interpreted against either party because such party prepared any portion of this Agreement but shall be interpreted according to the application of rules of interpretation of contracts generally.

21. **Construction.** Whenever the singular is used, including acknowledgments, it shall be construed to include the plural or the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.

22. **Time of the Essence.** Time is of the essence of this Agreement.

23. **Entire Agreement.** This Agreement contains the entire agreement of the parties. This Agreement cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties.

24. **Notices.** All notices given pursuant to this Agreement by either party to the other shall be in writing and delivered by overnight mail or delivery service or via facsimile to the address below, or at such other address or addresses as either party may designate by notice given to

the other party. All such notices shall be deemed effective on the day of facsimile transmission or the next day for overnight delivery service or mail. All notices shall be addressed to the parties as follows:

To Buyer: **City of Clare
202 West Fifth Street
Clare, MI 48617**

To Seller: **Mid Michigan Community Action Agency
P. O. Box 768
Farwell, MI 48622**

25. Execution in Counterparts/Facsimile Signatures. This Agreement may be signed in two counterparts, each of which shall be an original, but all of which shall constitute one and the same document. Any signature delivered by a party by facsimile transmission or e-mail shall be deemed to be an original signature.

26. Governing Law. All aspects of this Agreement shall be governed by the laws of the State of Michigan.

27. Binding. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors, and permitted assigns.

WITNESSES:

CITY OF CLARE

Pat Humphrey, Mayor

Diane Schmidt, Clerk

Mid Michigan Community Action Agency

By: Jill Sutton
Its: Executive Director

EXHIBIT A
[legal description of the real property]

EXHIBIT B
[Legal description of Parcel under Option]

EXHIBIT C
[Act 99 Installment Agreement]

CITY OF CLARE
MICHIGAN

ACT 99 INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT made and executed on this ____ day of _____, 2010 (hereinafter Agreement), by and between the City of Clare, Clare County, Michigan, organized and existing under the Constitution and laws of the State of Michigan (hereinafter City), and Mid Michigan Community Action Agency, Inc., a Michigan corporation, (hereinafter "Seller").

WITNESSETH:

WHEREAS, the City desires to acquire property through a purchase agreement with Seller; and,

WHEREAS, the City desires to pay for such acquisition substantially through an Installment Purchase Agreement as authorized by Act 99 of the Public Acts of Michigan of 1933, as amended; and

WHEREAS, Seller is willing to provide the required funding for such purchase of said property through an Installment Purchase Agreement for the balance of the costs of the project;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS AND CONDITIONS HEREINAFTER CONTAINED, it is hereby agreed between the parties hereto as follows:

Section 1. Definitions. The following terms wherever used in this Agreement shall have the following meanings, unless the context shall indicate another or different meaning:

Act 99 means Act 99 of the Public Acts of Michigan of 1933, as amended.

Agreement means this Installment Purchase Agreement, by and between the City and the Seller.

Code means the Internal Revenue Code of 1986, as amended. Reference to the Code shall also include applicable regulations and proposed regulations thereunder and any successor provisions thereof.

Section 2. Agreement Documents. The agreement documents pertinent to the within agreement consists of the written agreement, drawings, specifications of Seller and such other documents pertinent to

the proposed purchase. All of the foregoing written documents represent together with the within Installment Purchase Agreement, the entire agreement between the parties and supersede any prior negotiations, representations, or oral agreements between the parties.

Section 3. Description of Purchase. The Seller agrees to have the property available for purchase on or before _____, 2010.

Section 4. Purchase Price and Method of Payment. The City shall pay the Seller for the property of the within Agreement, the sum of \$150,000.00, which will be paid through this Installment Purchase Agreement.

On the date of purchase, the City shall pay to Seller such amount of said purchase price as equates to the amount of the purchase not to be financed under this Agreement. The balance of the purchase price shall be paid to the Seller in installments together with interest at the rate of _____ percent per annum on the unpaid balance, in monthly installments with the first installment of _____ and no/100ths (\$_____) Dollars including principal plus interest. The same monthly payments shall be made each month thereafter until the full sum of \$150,000.00 has been paid, together with accrued interest, for a total of _____ and no/100ths (\$_____) Dollars.

The first monthly payment shall be due and payable on _____, 2010, and the second on the same date of each and every month thereafter until the full amount of \$150,000.00, together with the interest, has been paid. The City shall have the right to make extra payments on its obligation to Seller or to Seller's assignee and to pay the same in full prior to maturity and without penalty. The City pledges its limited full faith and credit as security for the payment of the foregoing Agreement obligation.

Section 5. Conditions of Any Seller's Assignment. In the event Seller assigns the City's obligation under the within Agreement to a third party, the City upon notification of such assignment shall make all payments directly to such third party at such place as said third party may from time to time designate. The Seller shall not be an agent of the third party for any purpose and shall not have the authority to change or modify the within Agreement or any related document or instrument in any way which would affect such payment obligation without the approval of both the City and any third party assignee. The City's payment obligation to such third party assignee under this Agreement shall not be subject to any claim, defense, setoff, or counter-claim that the City may now or hereafter have against the Seller whether related or

unrelated to the proposed purchase. The Seller, however, shall remain subject to any of such City claims or defenses which shall not be eliminated or decreased by the aforesaid Seller's assignment. Any third party assignee shall have no responsibility or liability for the work or obligations under the within Agreement.

The City represents to Seller and to any third party assignee of Seller that the interest due under the within Agreement is tax exempt within the meaning of Section 254(b)(3) of the Internal Revenue Code of 1986. If for any reason such interest is held not to be tax exempt causing the Seller or its third party assignee to pay income taxes upon such interest, interest due under such Installment Purchase Agreement shall be recomputed from the date interest payments accrue under said Agreement and shall be converted to tax equivalent rate of _____.

If there is a change in the Code or regulations, or in the interpretation thereof by any court, administrative authority, or other governmental authority, (other than an event or taxability as described above) which takes effect after the date of this letter and which changes the effective yield on the Agreement to Seller or its assignee including but not limited to changes in federal income tax rates, the interest rate on the Agreement shall change accordingly to compensate for such change in effective yield on the Agreement.

Section 6. City Warranties. This Contract constitutes the valid and binding obligation of the City, enforceable in accordance with its terms. The City further warrants and represents that the City is a municipal corporation duly organized and validly existing and in good standing under MCL Section 117.1 *et seq* being the Home Rule Cities Act, as amended, and that the City has full power and authority to enter into and perform its obligations under this Contract; that the execution, delivery and performance thereof by the City have been duly authorized by appropriate action of the City Commission and will not violate any provision of the Act or other law or any law, rule, order, judgment, contract or agreement that is binding upon the City; that the City has designated, by an appropriate resolution, in accordance with Section 265(b)(3)(B) of the Internal Revenue Code of 1986, the obligation of the City evidenced by this Contract is a "qualified tax-exempt obligation"; that the City has not designated or issued and does not reasonably expect during the current calendar year to designate or issue more than \$10,000,000.00 of its obligations as "qualified tax-exempt obligations"; and that this Contract does not constitute a "private activity bond" within the meaning of the Internal Revenue Code of 1986.

Section 7. Late Payments. Any payments due and unpaid under this Agreement shall bear additional interest from the date payment is

due to the date payment is made at the rate of one percent per month or fraction thereof.

Section 8. Useful Life of Project. The City represents and warrants that the useful life of the property substantially exceeds the period of the financial obligation of the City to Seller.

Section 9. Representations of Seller. The Seller represents and warrants that it has legal capacity to execute this Agreement and to carry out its obligations and undertakings hereunder, and that the person executed this Agreement does so on behalf of the company and with its full authority; that it understands the terms of the within Agreement, and that it is binding upon and fully enforceable against said Seller.

Section 10. Indemnification by Seller. Seller agrees to defend, indemnify and save harmless the City, its officials, employees, departments, and agents from all liability, claims, demands, judgments, and expenses to persons or property occasioned wholly, or in part, by acts or omissions of Seller, its agents, employees, or assignees pursuant to this Agreement.

Section 11. Indemnification by City. To the extent permitted by the laws and the constitution of the State of Michigan, the City shall protect, hold harmless, and indemnify the Seller from and against any and all liability obligations, losses, claims, and damages whatsoever, and expenses and fees in connection therewith arising out of the financing due Seller under this Agreement.

Section 12. Transfer of Ownership. Upon completion of the transaction in accordance with the specifications as certified by Seller, the property shall be transferred to the ownership and jurisdiction of the City by Warranty Deed, free and clear of all liens and encumbrances other than the City's indebtedness to the Seller or its assignee under the within Agreement.

Section 13. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when dispatched by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery, or by telegram and confirmed the same day by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

City of Clare
202 West Fifth

Clare MI 48617

Mid Michigan Community Action Agency, Inc.
P.O. Box 768
Farwell MI 48622

The parties hereto may, by notice given hereunder, designate any further or different address to which subsequent notices, certificate, or other communications may be sent.

Section 14. Governing Law. This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

Section 15. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Binding Effect. The covenants herein contained shall bind, and the benefits and advantages inure to, the respective successors and assigns of the parties hereto.

Section 17. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 18. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

Section 19. Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties, promises, guarantees, or agreements, oral or written, express or implied, between the parties hereto with respect to this Agreement.

Section 20. Time and Amendments. Time is deemed to be of the essence of this Agreement. This Agreement may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of both the City and the Seller, and Seller's third party assignee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authority of its Board of Trustees and Board of Directors respectively on the date and date first above written.

WITNESSES

CITY OF CLARE

PAT HUMPHREY, Mayor

DIANE SCHMIDT, Clerk

MID MICHIGAN COMMUNITY
ACTION AGENCY, INC.

BY:

ITS:

PREPARED BY:
JAYNIE SMITH HOERAUF
JAYNIE SMITH HOERAUF, P.C.
601 Beech, Box 67
Clare MI 48617

RESOLUTION 2010-092

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A PURCHASE AGREEMENT WITH MIDMICHIGAN COMMUNITY AGENCY TO SECURE A SITE FOR THE CLARE RAILROAD DEPOT.

WHEREAS, the City of Clare formed a mutually beneficial partnership with the MidMichigan Community Action Agency to secure a future site for the relocation and rehabilitation of the Clare Railroad Depot, which the City owns;

WHEREAS, both said entities have agreed to the framework of a purchase agreement wherein the Community Action Agency will donate to the City two parcels of property and purchase, on behalf of the City, a third parcel of property, collectively said three parcels providing a site for relocation of said Depot, then assisting the City in demolishing existing buildings on said site, then relocating and rehabilitating said Depot and the City in turn repaying the MidMichigan Community Action Agency for the purchase of said site and demolition of said buildings over the course of a ten-year period at a mutually agreed upon maximum amount and interest rate.

NOW THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves execution of a purchase agreement between the City of Clare and the MidMichigan Community Action Agency to secure and prepare a site for the relocation of the Clare Railroad Depot, the terms and conditions of said agreement as outlined therein and the total cost thereof not to exceed \$150,000.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of September 2010.

Diane Schmidt, Clare City Clerk