

# 507221

INSTALLMENT PURCHASE CONTRACT

THIS INSTALLMENT PURCHASE CONTRACT, dated as of November 10, 1993 by and between the Township of Torch Lake, P.O. Box 477, Eastport, Michigan 49627, a Michigan municipal corporation (the "Township"), M-16 Corporation, P.O. Box 368, Eastport, Michigan 49627 (the "Vendor"); and by assignment, Alden State Bank, a Michigan banking corporation (the "Assignee").

1. Purchase Price and Title. The Township has agreed to purchase and Vendor has agreed to sell and convey the real property specified on the attached Exhibit A together with all tenements, hereditaments, improvements, and appurtenances if any, now on the land described in Exhibit A (the "Project"), for a total consideration of \$320,000 (the "Financed Purchase Price") payable in an initial principal payment of \$226,725.48 on February 1, 1994 and the remaining principal amount of \$93,274.52 is payable in five annual installments, plus interest as shown on Exhibit B commencing on October 1, 1994.

The interest on the Financed Purchase Price shall be computed at a rate of interest per annum of four and five-tenths percent (4.5%) from the date hereof. Interest shall be paid annually on each principal payment date.

The Township shall have the right to prepay the amounts due hereunder in whole or in part, at any time, for a prepayment price equal to the principal due hereunder plus unpaid interest to the date of prepayment without any premium or penalty for prepayment.

2. Assignment to the Assignee. The Vendor hereby irrevocably assigns this Contract immediately to the Assignee in consideration for a payment from the Assignee to the Vendor in the amount of \$320,000, receipt of which is hereby acknowledged by the Vendor and a copy of which payment has been given to the Township. The Township hereby consents to such assignment. To the extent that funds are disbursed to the Vendor for reimbursement by the Assignee in accordance with this paragraph, the Township's obligation to the Assignee is absolute and unconditional and shall remain in full force and effect until the amount of the payment by the Assignee as specified in this paragraph, together with interest thereon, shall have been paid by Township to the Assignee, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

- (a) Any failure of title with respect to the Vendor's interest in the Project specified herein or the invalidity, enforceability or termination of this Contract against the Vendor;
- (b) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set

forth in this Contract;

- (c) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the Vendor or any of its assets or any allocation or contest of the validity of this Contract, or the disaffirmance of this Contract in any such proceeding;
- (d) To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the Vendor from the performance or observation of any obligation, covenant or agreement contained in this Contract; or
- (e) The default or failure of the Vendor fully to perform any of its obligations set forth in this Contract.

It is expressly agreed between the Vendor, the Township and the Assignee (by acceptance of the assignment of this Contract) that the Township shall make all payments of principal and interest directly to the Assignee.

3. Defaults. The following constitutes a default by the Township under this Contract:

- (a) Failure to make a payment on time or in the amount due; and
- (b) The Township shall have received notice from the Assignee of the Township's failure to keep any other promise made under this Contract, and the Township shall not have cured such default within 30 days of receipt of such notice.

4. Remedies on Default. In the event a default specified occurs, the Assignee shall have the right, without further notice to the Township, to:

- (a) Bring action at law or suit in equity under this Contract; and
- (b) Pursue any other available remedy to enforce the terms of this Contract.

No remedy is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Assignee hereunder or hereafter existing by law. No delay or omission to exercise any right or power accruing to the Assignee as a result of a default

shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence in such default; and every right and power may be exercised from time to time by the Assignee and as often as may be deemed expedient.

5. Further Agreements of the Assignee. Assignee agrees that it will not encumber the Project by mortgage and will not assign this Contract without the approval of the Township.

6. Entire Agreement. This Contract and the schedules, attachments and amendments hereto and the Assignments constitute the entire agreement of the parties with respect to the acquisition of the Project. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated.

7. Amendments. Any attempt to modify the terms of this Contract or of any supporting document shall be ineffectual unless in writing, signed by the Township and the Assignee.

8. Security and Tax Covenant. The obligation of the Township to pay principal and interest under this Contract is a general obligation of the Township. The Township shall include in its budget and pay each year, until this Contract is paid in full, such sum as may be necessary each year to make all payments hereunder, when due. The Township covenants that it shall comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Contract in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The Township has designated the obligations under this Contract as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions.

9. Governing Law. This Contract shall be construed under the laws of the State of Michigan, and with the rules of the Michigan Natural Resources Trust Fund Program.

10. Attachments. The following attachments are hereby incorporated and made a part of this Contract:

- Exhibit A - Project Description
- Exhibit B - Payment Schedule

11. Severability. If any provision of this Contract is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstance shall not have the effect of rendering such provision inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract invalid, inoperative, or unenforceable to any extent whatsoever.

12. Execution in Counterparts. This Contract may be executed in several counterparts, which counterparts shall be considered as one and the same instrument.

WITNESS:

[Signature]  
Kathy Anderson

[Signature]  
Lorelei J. Warren

[Signature]  
William F. Derman, Jr.

[Signature]  
Lorelei J. Warren

[Signature]  
William F. Derman, Jr.

[Signature]  
Lorelei J. Warren

[Signature]  
Kathy Anderson

[Signature]  
Lorelei J. Warren

M-16 CORPORATION

[Signature]  
By Virginia Good  
Its President

TOWNSHIP OF TORCH LAKE

[Signature]  
By Kim Schmidt  
Supervisor

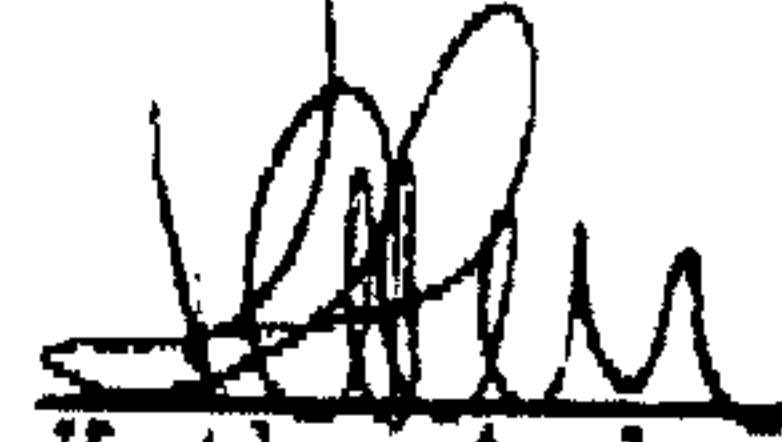
And [Signature]  
By [Signature]  
Township Clerk

Assignment accepted and approved by ALDEN STATE BANK:

[Signature]  
By Blain D. Russell  
Its: President

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF ANTRIM )

On this 10th day of November, 1993, before me a Notary Public in and for said County, personally appeared an officer of AEDEN STATE BANK, a Michigan banking corporation, to me known to be the same person described in and who executed the within instrument, who have acknowledged the same to be their free act and deed.



Kathy Anderson, Notary Public  
\* Antrim County, Michigan  
My Commission expires: March 17, 1998  
For Kalkaska County Acting in

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF ANTRIM )

On this 10th day of November, 1993, before me a Notary Public in and for said County, personally appeared Kim Schmidt and Elva Cowell, the Supervisor and Township Clerk respectively of the Township of Torch Lake, to me known to be the same persons described in and who executed the within instrument, who have acknowledged the same to be their free act and deed.



Lorelei J. Warren, Notary Public  
\* Antrim County, Michigan  
My Commission expires: May 14, 1995  
For Grand Traverse County Acting in

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF ANTRIM )

On this 10th day of November, 1993, before me a Notary Public in and for said County, personally appeared Virginia Good, President of M-16 Corporation, to me known to be the same person described in and who executed the within instrument, who has acknowledged the same to be his/her free act and deed.



Kathy Anderson, Notary Public  
For Kalkaska County, Michigan\*  
My Commission expires: March 17, 1998  
Acting in Antrim County, MI

Instrument Drafted by and when recorded return to:  
Amy S. Davis  
Miller, Canfield, Paddock and Stone  
150 W. Jefferson, Suite 2500  
Detroit, Michigan 48226

EXHIBIT A

## Project Description

A certain piece of land situated in the Township of Torch Lake, County of Antrim, State of Michigan, and described as follows, to-wit:

Part of Government Lots 1 and 4, Section 24, Town 31 North, Range 9 West, described as beginning at the North quarter corner of said Section 24; thence North 83 degrees 57 minutes 00 seconds East 325.99 feet; thence South 00 degrees 08 minutes 00 seconds East 1,062.67 feet; thence South 88 degrees 49 minutes 00 seconds East 345.12 feet to the Southeast corner of Block 8 of the recorded Plat of VILLAGE OF TORCH LAKE; thence North 89 degrees 52 minutes 52 seconds East 66 feet to the Southwest corner of Block 7 of said recorded plat, being the point of beginning; thence East along the South line of said Block 7 a distance of 356.87 feet; thence South parallel with Prospect Street 179.93 feet to the center line of a County Road; thence South 82 degrees 18 minutes 30 seconds East along said center line 11.23 feet; thence South 33.30 feet to the South line of said road; thence South 20 degrees 18 minutes 30 seconds East along the South line of said road 280.50 feet to the shore of Torch Lake; thence South 24 degrees 54 minutes 00 seconds West along said shore 195.94 feet to a point 200 feet South of the North line of said Government Lot 4; thence West 563.47 feet to the East line of Prospect Street in said Plat of the VILLAGE OF TORCH LAKE; thence North along said road 430.00 feet to the point of beginning. Subject to the right of way of the County Road, 3.58 acres more or less, situated in the Township of Torch Lake, Antrim County, Michigan.

EXHIBIT B

Payment Schedule

DATE	PRINCIPAL	INTEREST	PAYMENT
February 1, 1994	\$226,725.48	\$3,274.52	\$230,000.00
October 1, 1994	18,155.93	2,782.90	20,938.83
October 1, 1995	17,558.49	3,380.34	20,938.83
October 1, 1996	18,348.63	2,590.20	20,938.83
October 1, 1997	19,174.31	1,764.52	20,938.83
October 1, 1998	20,037.16	901.67	20,938.83

WEDNESDAY JUN 07 1995

AB 101 REI # 2.04.02 TORCH LAKE TOWNSHIP

CUSTOMER NO 00567221 DEPT-NO 00567221 EFF DATE?

Y OR N (N)

LOAN-NO	P	CL	RATE	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
3 00567221	0	00	4.500	11/10/93	320,000.00	.00	320,000.00
3 00567221	0	00	4.500	12/16/93	48,818.94	1,420.28	270,181.06
3 00567221	0	00	4.500	11/12/94	137,500.63	899.37	112,680.43
3 00567221	0	00	4.500	11/12/94	137,500.63	680.71	93,000.36
3 00567221	0	00	4.500	11/12/94	137,500.63	2,499.54	74,561.07

YTD INT

(102 = CUST PROF, 302 = CUST INFO, 303 = CUST CODE, 312 = LIAB, 309 = MEMOS)  
 (305 = ACCT INFO, 304 = STATUS, 313 = COL SCRIN, 318 = DEALER) | ALT-F1 for Help | 2476



EXHIBIT B

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I believe the TWP owes M-16 CORP  
AS OF 11/10/93 \$ 272,574.91

BANK LOAN \$ 320,000.00  
272,574.91  
\$ 47,425.09 - CK Bill + VIRGINIA GOOD  
will donate to TWP

PAYMENT FROM GRANT - 176,000.00  
CK FROM GOODS - 47,425.09  
DEFS2\276302.2\102545-00001  
\$ 223,425.09  
~~272,574.91~~  
~~230,000.00~~  
Need this amount FOR 2/1/94  
PAYMENT

FOR settlement on 11/10/93  
TWP COSTS will be under  
\$ 3,000.00  
FROM GENERAL FUND

*[Signature]* B-1