



## Charter Township of Oscoda

### Process of Real Property Disposition

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The Charter Township of Oscoda maintains two types of classifications of real property: Disposable and Non-Disposable.

**Classification of Properties:** Disposable Properties are described as properties that the Oscoda Township Board are actively trying to sell. While the Township may be actively advertising the sale of property, the Oscoda Township Board is under no obligation to sell any property solely based on a disposable classification and may reject or accept any offer based on the discretion of the Oscoda Township Board and its duties to the public.

Non-Disposable Properties are described as properties that are not being advertised as available, but the Oscoda Township Board may entertain an offer to purchase on a case-by-case situation. However, the Township Board must nominate a Non-Disposable Property as Disposable before action on an offer can take place. Some Properties may never be eligible to sell, such as a landfill or cemetery.

The Oscoda Township Board may elect to reclassify a property anytime at its discretion.

The public may request a list of Disposable Property by making a request to the Assessor, the Economic Improvement Director, or the Township Superintendent.

**Process of Disposition:** There are four scenarios the Oscoda Township Board may use to dispose of real property:

1. The Township may list the property with a third-party real estate brokerage firm. Any interested party should contact the listing broker to pursue making an offer.
2. The Township may actively promote the sale of property on its own. Any interested party should contact the Economic Improvement Director or the Township Superintendent.
3. The Township may issue a Request for Proposal ("RFP") and solicit developers/buyers.
  - a. As directed by the Township Board, the Economic Improvement Director will draft the RFP. The RFP's details shall include, but are not limited to, the desired outcome for the site, information required for the response, timelines, deadline for response and decision-making process.
  - b. The Township Board shall reserve the right to reject any and all offers, if the proposals do not meet the criteria or are not considered the best value for the community.
4. The Township may entertain any unsolicited offers to purchase property classified as disposable or non-disposable and evaluate the offer based on its own merit and how the community would benefit from the sale of the requested property. Any interested party should contact the Economic Improvement Director.



**Making an Offer:** The Oscoda Township Board recognizes two ways a prospective purchaser can submit an offer:

1. A signed Letter of Intent (“LOI”) – a sample is available through the Office of Economic Development
2. A signed Purchase Agreement (“PA”)

Any LOI or PA must include the following information:

1. Name of purchaser or legal entity
2. Address of purchaser
3. Property parcel number and address
4. Purchase Price
5. Earnest Money
6. Title Company
7. Contingencies
8. Inspections
9. Timelines
10. Agency Disclosures if applicable

Additionally, all offers must be accompanied by a Project Narrative. The Oscoda Township Board encourages the prospective buyer to provide as much information as possible in its Project Narrative, but at a minimum requires the following information:

1. The actual name(s) of any purchaser, including those making up any legal entity.
2. A description of the anticipated use of the property and whether it will conform to current zoning requirements.
3. Outline of how the property will be purchased, including proof of funds for a cash offer or framework of financing strategy with supporting documentation.
4. Proposed timing of the project and whether the project will be completed in phases.
5. Description of how the project will add value to the community.

**Consideration of an Offer:** All valid offers are considered on a first-come-first-to-consider basis. All valid offers shall be presented to the Township Board at its next meeting after submission. However, if multiple offers are submitted before an upcoming Board meeting, then all offers shall be considered equally.

The Township Board may vote to accept, reject, or instruct the attorney to facilitate negotiations and develop a purchase agreement for review by both parties. However, if the Township Board counters the offer to purchase, or accepts an offer with contingencies, it reserves the right to enter negotiations with the prospective purchaser exclusively. If the Board elects to negotiate exclusively with a purchaser, then the Board will not discuss additional offers until the current negotiation has concluded. If negotiations are terminated by a Board decision, then the Board shall consider the remaining valid offers, if any.

The Oscoda Township Board is obligated to yield maximum financial and intrinsic value for the community, which may not be the highest offer presented.

DATE

Attention: "Seller"

Re: Letter of Intent to purchase property

\_\_\_\_\_ ("Purchaser"), or its assigns, having an address of \_\_\_\_\_, proposes to enter into a Purchase Agreement with the Charter Township of Oscoda, with the following terms, for the property located at \_\_\_\_\_ ("Property"), consisting of \_\_\_\_\_ acres.

Address: \_\_\_\_\_

Property Description: Parcel # \_\_\_\_\_

Purchase Price: Sale amount shall be \$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars)

Earnest Money: \$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars), as Earnest Money, shall be placed into escrow with {Title Company Named} within five (5) days of execution of a purchase contract.

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

Feasibility Period: Purchaser shall have a period of \_\_\_\_\_ (\_\_\_\_) days from the date the Purchase Agreement and Earnest Money are deposited with the Title Company to conduct an inspection of the property to include, but not limited to, environmental assessment, review of survey and utility availability and zoning for specified use. If the Purchaser determines, at its sole discretion, that the property is not suitable for any reason for Purchaser's intended use or purpose, then the Purchaser may on written notice to the Seller, on or before \_\_\_\_\_ (\_\_\_\_) days from the effective date of contract, terminate this contract and all earnest money shall be returned to the Purchaser.

Date of Close: On or before \_\_\_\_\_ (\_\_\_\_) days after the expiration of the feasibility period.

Survey: {Survey request language}

Purchaser's Conditions: Purchaser will have the following contingencies incorporated into the purchase offer:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Commission: {If Applicable}

Seller and Purchaser (or Assignee) acknowledge that this proposal is a non-binding contract but is intended to outline the terms and conditions under which the Purchaser would consider acquiring the property. No representations or warranties are made hereby that commits either the Seller or Purchaser to proceed with the transaction herein contemplated. Only upon execution and delivery of the final purchase contract will either party be obligated to the other in accordance with the terms and conditions thereof.

Also enclosed for your review and execution is the State of Michigan Agency Disclosure forms {If Applicable}.

This proposal shall remain in force until {Date} at {Time} pm (Eastern Standard Time), after which it shall become null and void.

Respectfully Submitted,

{Purchaser}

**Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.**

**Purchaser:** \_\_\_\_\_

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

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

**Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.**

**Seller:** \_\_\_\_\_

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

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