



LIBER 2684 PAGE 528

OPTION EXTENSION AGREEMENT

THIS OPTION EXTENSION AGREEMENT ("Extension") is made and entered into on June 1, 2009, between THE CITY OF BAY CITY, a Michigan municipal corporation, of 301 Washington Ave., Bay City, MI 48708 (the "**City**") and TALL SHIP CELEBRATION: BAY CITY, a Michigan non-profit corporation, of 919 Boutell Place, Bay City, MI 48708 ("**Purchaser**").

RECITALS

City and Purchaser entered into an Option to Purchase Real Estate (the "**Option**") dated August 20, 2007, as evidenced by a Memorandum of Option dated August 20, 2007, and recorded on August 29, 2007, in Liber 2557, Page 507 of the Bay County Records, wherein City granted to Purchaser the option to purchase certain real property located in the City of Bay City, County of Bay, State of Michigan, more particularly described on **Exhibit 1** attached to this Extension. The Option Term is set to expire on September 1, 2009.

City and Purchaser wish to extend the Option Term to December 31, 2011 ("**Extension Term**").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Extension, the receipt and sufficiency of which is hereby acknowledged, City and Purchaser agree as follows:

The Expiration Time in the Option is amended to replace the phrase "September 1, 2009" in Section 1(a) of the Option with the phrase "December 31, 2011" so that the Option Term is extended until December 31, 2011.

Except as herein modified the Option shall remain in full force and effect. The parties hereby confirm that the Option remains in full force and effect, except as modified by this Extension. This Extension shall be binding upon and inure to the benefit of the parties, their respective successors and assigns, and all parties claiming by, through or under them. This Extension shall run with the land. This Extension contains the entire agreement of the parties regarding the subject matter of this Extension and all prior agreements, whether oral or written, regarding the subject matter of this Extension are merged into this Extension.

**Exhibit 1****Property Location and Legal Description**

PART OF BLOCK 110 AND BLOCK 111, MAP OF LOWER SAGINAW, AS PER PLAT THEREOF RECORDED IN LIBER 1, PAGE 4, BAY COUNTY RECORDS DESCRIBED AS BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID BLOCKS 110 AND 111 ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF WATER STREET, SAID POINT OF BEGINNING BEING THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 9TH STREET AND THE WESTERLY RIGHT-OF-WAY LINE OF WATER STREET; THENCE S06°21'47"W, ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF WATER STREET, 535.83 FEET; THENCE N 83°47'16"W, 737.29 FEET, THENCE N15°08'28"E, PARALLEL WITH THE WEST LINE OF SAID BLOCK 110, 543.26 FEET; THENCE S83°42'48"E, PARALLEL WITH THE NORTH LINE OF SAID BLOCK 110, 654.38 FEET; TO THE POINT OF BEGINNING. CONTAINING 8.57 ACRES OF LAND (373,161 SQUARE FEET), SUBJECT TO ANY EASEMENTS, RESTRICTIONS OR RIGHTS OF WAY OF RECORD.