

## KEWEENAW MOUNTAIN LODGE SALE DISCLOSURES

### Title

**Property Boundaries and Easements:** KML is situated on two contiguous parcels of property in Grant Township, Keweenaw County, Michigan, 165.27 and 12.68 acres in size, as shown on a boundary survey recorded in Keweenaw County. Keweenaw County has created easements on the property to protect future public use of some (but not all) of hiking/biking trails currently existing on the property, as shown on an easement survey recorded in Keweenaw County. There is also a county road on the property, shown on the surveys, which will remain open to public use after the property is sold.

**165.27 Acre Parcel.** The 165.27 acre parcel was deeded to Keweenaw County by the former Keweenaw Copper Company in 1938. The 1938 deed provides that the parcel is to be used solely for the purpose of a public park with related facilities, including but not limited to, a golf course. An option agreement was entered into concurrent with the 1938 deed giving Keweenaw Copper Company the option to repurchase the property if the golf course or public park were abandoned by the county. Keweenaw Copper Company was dissolved by expiration of its term on December 16, 1944; a certified copy of the Certificate of Dissolution has been recorded in Keweenaw County. An affidavit of the treasurer of an existing entity known as "Keweenaw Copper Co." has also been recorded attesting that Keweenaw Copper Co. has no relation to the dissolved Keweenaw Cooper Company as a successor in interest, assignee, or otherwise; that Keweenaw Copper Co. has no right, title, interest, or claim against real property or personal property, tangible or intangible, conveyed or transferred to Keweenaw County or its affiliates by the dissolved Keweenaw Copper Company; and that Keweenaw Copper Co. does not have any right, title, interest or claim to any option agreement, other contractual right, or chose in action held by the dissolved Keweenaw Copper Company with respect to Keweenaw County or its affiliates.

**12.68 Acre Parcel.** Most of the 12.68 parcel lies within a larger parcel deeded to Keweenaw County by the State of Michigan in 1946. The 1946 deed provides that the deeded property reverts to the State of Michigan if it is not used solely for public purposes. However, in 1960, the State of Michigan re-deeded 17.97 acres of the property to Keweenaw County without the reverter provision, and in return, Keweenaw County deeded property in Luce County to the State of Michigan. According to documents provided to the county by the State of Michigan, the purpose of the 1960 exchange was to release the 17.97 acres from the reverter provision. Most of the 12.68 parcel lies within the 17.97 acre parcel re-deeded to Keweenaw County in 1960 without the reverter provision; the remainder of the 12.68 parcel is in property owned by the county without any known deed restrictions.

Keweenaw County will be deeding KML subject to all matters of record, including the matters discussed in this section. The County has been in discussing with a local title company regarding insuring title to KML without taking exception for the deed provisions discussed in this section; however, as of the writing of these disclosures, whether title to KML can be insured without taking exception for these deed provisions has not yet been determined.

Digital copies of the surveys, deeds, and other documents referred to in this section be obtained upon request from the Keweenaw County attorney by emailing him at [prosecutor@keweenawprosecutor.com](mailto:prosecutor@keweenawprosecutor.com).

### **Operation and Maintenance**

KML is being sold on an "as is" basis. The disclosures set forth in this section are not intended to be a substitute for a purchaser's inspection of KML and its systems.

KML utilizes water wells and a septic system. It is not connected to the Grant Township water and sewer systems, and the county has been advised that it is not eligible for connection. Two of four KML wells are operational. One operational well produces potable water with the assistance of an onsite filtration system. Maintenance of the onsite filtration system must be performed by a properly-licensed person. The other operational well does not produce potable water; it is used for watering the golf course. Water for the golf course is also drawn from Lake Superior through a pumping and piping system originating in the Third Street public Park in Copper Harbor.

UP Engineers and Architects completed an asbestos survey and lead-based paint sampling at KML in 2006. UPEA's report describes UPEA's procedures and methodologies, analytical laboratory results, and UPEA's conclusions and recommendations.

A representative of Keweenaw County contacted the author of the UPEA report in February 2017 to ask whether lead paint in the cabins posed a threat to persons staying in the cabins. The report's author indicated that lead paint in the cabins posed no threat to the public because cabin stays are short-term. He also indicated that there is no legal requirement for further testing for lead paint, nor is there any requirement to remediate the lead paint that is present, unless further demolition or renovation of KML is proposed and undertaken.

No further inquiry has been undertaken on the lead paint or as to the presence of the asbestos. Buyers are advised that any asbestos removal which may be undertaken must be performed by specially-licensed contractors, as indicated in the UPEA report.

A copy of UPEA's report may be obtained upon request from the Keweenaw County attorney by emailing him at [prosecutor@keweenawprosecutor.com](mailto:prosecutor@keweenawprosecutor.com).

### **Property Being Sold With the Real Estate**

The sale of KML will include the personal property used by KML in the operation of its business (with the exception of tractors, vehicles, and any leased property such as golf carts), as well as KML's fixtures, trademarks, trade names, website content, and other intellectual property, pre-paid advertising, inventory, contract rights, and KML's liquor license. Transfer of KML's liquor license is subject to prior approval by the State of Michigan. Tractors, vehicles, and any leased property such as golf carts shall be retained by Keweenaw County. In addition, the purchaser will not be entitled to any accounts receivable, uncollected credit card payments or cash in KML's bank accounts on the closing date, which shall remain the property of Keweenaw County for collection after closing.

If the purchaser eliminates public access to the disc course, the baskets must be returned to the Copper Harbor trails club.