

VICTOR and KATZ, L.L.C,

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December 3, 2003

City of Corunna 402 DEC 5 2003
N. Shiawassee
Corunna, MI 48317

Attention: Joseph S. Sawyer, City Manager

Re: 503 S. Shiawassee, Corunna Dear Mr.

Sawyer:

KVYN Realty, a Michigan Limited Partnership ('KVYN'), is the owner of the above real estate. The Tax Parcel Identification Number of the property is 78-026-18-100-000. The premises consist of approximately ten (10) acres of land with approximately one-hundred-twenty thousand (120,000) square feet of buildings thereon. The most recent building addition was erected by KVYN around 1989 at a cost of approximately Three Hundred Thousand (\$300,000) dollars and contains twenty-thousand (20,000) of those square feet. The building is currently occupied by Sears Roebuck & Company. Previous tenants were LDM Technologies and/or DBM Technologies. Previous to them, Kenco Plastics occupied the property.

It is the current intention of KVYN to make a deductible charitable donation of this real estate and its improvements to the City of Corunna or to any qualified charitable nominee of the City of Corunna. KVYN currently plans to make the donation by Quit Claim Deed before, December 31, 2003 and take the charitable deduction on KVYN's 2003 Tax Return.

The Sear's Lease will expire on or about December 31, 2003. If Sears abandons any personal property at the premises, KVYN shall have no responsibility for it and the same may be disposed of by the Donee.

KVYN feels this gift is an appropriate way to thank the City and its Citizens for their help, assistance and encouragement at the time KVYN acquired the property. At that time the City encouraged a loan from the Michigan Economic Development Corporation and consented to an industrial facility tax exemption. The City was also helpful in securing Sears as a tenant after DBM Technologies downsized and terminated its tenancy.

In gratitude for the support we have received in the past and to help the City achieve its industrial aspirations, we would like to make a gift of this facility to the City of Corunna for economic development purposes. KVYN is confident that the City will find the building a valuable tool to encourage development and employment in the area. Among the possible uses would be either a direct sale to provide seed money for industrial park development or as an industrial lease property for business incubation.

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We regret that our real estate and industrial operations in Corunna have come to an end. Since KVYN is a real estate holding company and not a manufacturing or management company, we feel that this gift is an ideal way to thank the Community, its work force and the City Officials for all their past help and cooperation.

In order to accomplish this gift, KVYN will require the following:

1. A Resolution from the City of Corunna or its qualified nominee accepting the property "as is" and agreeing to execute Part IV of IRS Form 8283. The Resolution should also state a) there will be no pro-rations for real estate taxes, b) current taxes shall be the Donee's responsibility, and c) there shall be no proration for pre-paid rents.
2. The charitable Donee's execution of Part IV of IRS Form 8283 upon receipt of a Quit Claim Deed from KVYN.

For your further information, the current State Equalized Value on the property is Four Hundred Thousand (\$400,000) Dollars and the True Cash Value of the property is, therefore, Eight Hundred Thousand (\$800,000) Dollars; the market value is probably higher. There will be no delinquent real estate taxes or special assessments due on the date the Deed is delivered.

Your prompt attention in sending the undersigned the Resolution of the City of Corunna or its qualified charitable organization will be appreciated, so that we can proceed with this donation and gift.

Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

KVYN REALTY, a Limited Partnership

By: KVYN, INC., It's Sole General Partner

By: 

Norman D. Katz, Authorized Agent

Secretary

NDK/bl