

DEVELOPMENT AGREEMENT

This Development Agreement is entered into by the Houghton County Land Bank Authority, an Authority under the Land Bank Fast Track Act, Act 258 of 2003, as amended, 401 E. Houghton Ave., Houghton, Michigan 49913 (HCLBA) and _____, _____, _____, Michigan, 49____ (Developer).

RECITALS

This Development Agreement is made under the following circumstances:

- A. The HCLBA owns a certain parcel of real property in the _____ that it acquired through tax foreclosure; that contained blighted buildings that the HCLBA has removed as the first step in redeveloping the property for _____ [mixed use, commercial/retail, single family, middle market residential housing] (Project); which is listed and legally described on Exhibit A (HCLBA Property); and
- B. The HCLBA has determined that the Project will dispose of tax reverted property in a coordinated manner to foster the development of that property and to promote economic growth by providing for the expansion of desired uses within the [municipality]; and
- C. The Developer has made a proposal (Exhibit B) to the HCLBA on _____, 202__ to undertake the Project and the HCLBA has accepted this proposal on _____, 202__; and
- D. The Developer will seek Brownfield Redevelopment tax increment finance support from the Houghton County Brownfield Redevelopment Authority (HCBRA) to reimburse for eligible infrastructure, site preparation and other expenses and the HCLBA will support this request; and
- E. The HCLBA will provide to the Developer all environmental site assessment information gathered by the State of Michigan during an HCLBA requested site assessment conducted in _____; and
- F. Accordingly, the purpose of this Development Agreement is to set out the obligations of the parties to this Agreement for the undertaking the agreed upon activities and to facilitate the Company's access to state and local assistance.

NOW, THEREFORE, based upon the recitals set forth above and in consideration of the mutual terms and conditions set forth below, the Developer and the HCLBA, agree as follows:

1. **Land Transfer Agreement.** The HCLBA shall transfer the Property to Developer for the development of the Project. Transfer will be with fee title in Developer free and clear of all liens and encumbrances, and subject only to those exceptions acceptable to the Developer in its reasonable discretion including environmental conditions.
2. **Land Transfer Termination.** Should Developer be unable to build the Project, the Land Transfer Agreement shall terminate with no further obligation of either party except those that are specified in the Land Transfer Agreement. The closing of the transfer shall occur contemporaneously with the closing of the Developer's construction financing. Until the construction financing for the Project closes, or earlier, if the HCLBA consents, the Property shall not be mortgaged, pledged or have any liens or encumbrances placed thereon; evidence of this restriction shall be filed with the Register of Deeds if transfer to the Developer takes place prior to the closing on the Developer's construction

financing. In the event the Project, for any reason whatsoever, is not completely constructed pursuant to the terms of this Agreement, the Developer, or its successor, shall deed the HCLBA Property back to the HCLBA, in fee, free of any liens or encumbrances, except those in existence at the time of its transfer to the Developer.

3. **Developer Performance.** Developer agrees to begin construction within ___ days of Land Transfer and shall complete construction within ___ days of commencement. Any changes to these timelines shall be immediately communicated to the HCLBA for consideration of an amendment to the agreement.
4. **Adverse Environmental Conditions.** The Developer and the HCLBA acknowledge that they do not have actual knowledge of the location and extent of adverse environmental conditions on the HCLBA property beyond what was found in a Brownfield Site Assessment performed by the Michigan Department of Environment, Great Lakes and Energy in [Year]. Said report is attached as Exhibit D. Developer shall assume responsibility for any further investigations he deems necessary and all due care responsibilities that may be applicable.
5. **Compliance with Laws, Rules and Regulations.**
 - 5.1. The Developer shall comply fully with all local ordinances, state and federal laws, and all applicable local, state and federal rules and regulations. Nothing in this Agreement shall abrogate the effect of any local ordinance.
 - 5.2. Non-compliance with this Agreement, or discovery of material irregularities at any time are regarded as material breaches of this Agreement. The HCLBA, in addition to any other remedy provided by law, may terminate this Agreement.
6. **Termination.** This Agreement shall terminate on the earlier to occur of: (a) the transfer of property and completion of the Project; (b) the mutual agreement to terminate the Agreement; (c) upon failure of the Developer to complete the construction of the Project after transfer of the property.
7. **Indemnification.** The Developer shall indemnify, hold harmless, and defend the HCLBA, its officials, agents and employees, from any and all claims or causes of action arising from or on account of negligent acts or omissions of the Developer, its officers, employees, agents or any persons acting on its behalf or under its control, in undertaking the development project or arising in any way from this Agreement, including but not limited to, claims for damages, reimbursement or set-off arising from, or on account of, any contract, agreement or arrangement between the Developer and any person for the performance of related activities or the terms of this Agreement.
8. **Notices.** All notices, requests, demands and other communications that are required or permitted to be given under this Agreement will be in writing and will be deemed to have been sufficiently given for all purposes hereunder if (a) delivered personally to the party to whom the same is directed, or (b) sent by certified mail, postage prepaid, return receipt requested, at the addresses identified below; or to such other party at such other address as shall be given in writing in accordance herewith.
 - 8.1. If to the HCLBA, to: Houghton County Land Bank Authority, 401 E. Houghton Ave.,
Houghton, Michigan 49913
 - 8.2. If to Developer, to:
9. **Miscellaneous Provisions**

- 9.1. Successors and Assigns; Assignments; No Other Intended Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; however, the Developer shall not assign this Agreement without the prior written consent of the HCLBA, which will not be unreasonable withheld. No person not a party hereto is intended to be a beneficiary of or to have the right to enforce this Agreement.
- 9.2. Entire Agreement. This Agreement represents the entire agreement, as it exists at the time of the signing of this Agreement between the parties. This Agreement may not be amended, altered or modified unless the party against whom enforcement of any waiver, modification or discharge is sought does so in writing.
- 9.3. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan. The parties acknowledge that the proper venue of any court action is in Houghton County, Michigan.
- 9.4. Severability. The invalidation of one or more of the terms of this Agreement shall not affect the validity of the remaining terms.
- 9.5. Survival. Except as otherwise provided in this Agreement, all representations, warranties, covenants and agreements of the parties contained or made pursuant to this Agreement shall survive the execution of this Agreement.
- 9.6. Effective Date. This Agreement shall become effective when approved and executed by the HCLBA and the Developer.
- 9.7. Recitals. The recitals set forth above are incorporated by reference into this Agreement as if fully set forth therein.

[Developer]

_____ Date

Houghton County Land Bank Authority

_____ Date
Lisa Mattila, Chairperson

Attachments

Exhibit A – Property Description

Exhibit B – Proposal

Exhibit C – Houghton County Land Bank Authority Request for Proposal

Exhibit D – EGLE Environmental Assessment