

DEVELOPMENT AGREEMENT
660 South Boulevard East, Pontiac, MI
2000 Centerpoint, Pontiac, MI

By and between:

GRANTOR: CITY OF PONTIAC, a Michigan municipal corporation

and

GRANTEES: PONTIAC WEST, LLC, a Delaware limited liability company, and
PONTIAC CENTRAL, LLC, a Delaware limited liability company

Effective as of the date of

March 16, 2016

DEVELOPMENT AGREEMENT

This Development Agreement (“**Agreement**”) is executed as of this 16th day of March, 2016 (“**Effective Date**”), by and between the CITY OF PONTIAC, a municipal corporation (“**City**”), and PONTIAC WEST, LLC, a Delaware limited liability company (“**Pontiac West**”), and PONTIAC CENTRAL, LLC, a Delaware limited liability company (“**Pontiac Central**,” and together with Pontiac West, the “**Grantees**”):

Purpose of Project and Agreement

WHEREAS, Pontiac West acquired the property located at 660 South Boulevard East, Pontiac, MI 48341 (the “**660 Property**”) from the Revitalizing Auto Communities Environmental Response Trust (“**RACER**”) for re-use and/or redevelopment; and

WHEREAS, Pontiac West acquired the property located at 2000 Centerpoint, Pontiac, MI 48341 (the “**2000 Property**”) from RACER for re-use and/or redevelopment; and

WHEREAS, Pontiac West and Pontiac Central are affiliated entities and both the 660 Property and the 2000 Property (collectively, the “**Properties**”) are located in the City of Pontiac and the City and Grantees recognize that the leasing and development of the Properties will contribute significantly to the economy of the City of Pontiac; and

WHEREAS, these restrictions are imposed upon the Properties to ensure their use and development under a common plan; to protect the owners and occupants of the Properties against the improper use of surrounding building sites that will depreciate the value of the Properties; to guard against the erection thereon of structures built from improper or unsuitable material; to ensure timely, adequate, and reasonable development of the Properties; to prevent haphazard and inharmonious improvements on the Properties; and in general to provide the orderly development and efficient maintenance thereof consistent with the intent and objective of these restrictions.

Terms

In consideration of the foregoing, Grantees hereby agree as follows:

1. No Preemption. Unless otherwise provided for specifically herein, this Agreement shall not be deemed to waive, preempt or make unnecessary any applicable municipal or governmental process, including but not limited to zoning, variances, brownfield and economic incentives, assessments or fees and that Grantees and/or any user will be required to submit and participate in any appropriate process as provided in the City’s ordinances, rules and/or regulations, including all applicable commissions and City Council matters and processes.



2. Michigan Works! Grantees intend to use the Michigan Works! on a non-exclusive basis to advertise job opportunities, and will encourage contractors to participate with Michigan Works!.
3. Zoning. The redevelopment activities for the manufacturing facilities and storage areas will be in accordance with the applicable portions of the City's zoning ordinances.
4. Demolition. During the term of this Agreement, Grantees agree not to demolish all, or substantially all, of the improvements presently located on or about the Properties ("**Existing Improvements**"); provided, however, that Grantees shall be permitted to demolish portions of the Existing Improvements as may be reasonably necessary to lease the remaining portions of the Existing Improvements in accordance with the leasing guidelines set forth herein.
5. Jobs. Grantees acknowledge that both RACER and the City have an interest in seeing that the Property is utilized in a manner so as to create new jobs, both direct and indirect, that will benefit both the City and the surrounding communities as a result of each Grantee's ownership of its respective Property. Accordingly, and in addition to each Grantee's cooperation with the Michigan Works!, each Grantee shall use its commercially reasonable efforts to lease its respective Property in a manner reasonably calculated to create new jobs, it being understood that the City's job creation guidelines for the Properties, collectively, is to have 500 new jobs within five (5) years with an average salary of \$40,000 per year. In connection therewith, each Grantee agrees to consider the number of jobs that any new tenant would be reasonably expected to bring to its respective Property as part of its economic analysis of potential tenants and to give a preference to those tenants likely to bring the most quality jobs to the Properties; provided, however, that Grantees shall not be required to lease any portion of the Properties to any particular tenant based upon such job creation guidelines. In connection therewith, commencing on March 16, 2016 and continuing annually thereafter, Grantee shall provide a report to the Mayor of the City of Pontiac that identifies the number of Pontiac residents and the number of non-Pontiac residents employed at the Properties. In addition, Grantee will use commercially reasonable efforts to assist its' prospective tenants in securing State funding that is earmarked for training. Also, Grantee will contact the City to determine if the City is aware of any trade-specific training programs for workers.
6. Compliance with Applicable Regulations. Each Grantee hereby agrees to cause its respective Property to comply with all local, State, and Federal regulations applicable to such Property, as may be amended.
7. Term. This Agreement shall terminate and be of no further force or effect five (5) years from the Effective Date.
8. Effect of Invalidation. If any declaration is held to be invalid by any Court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.

9. Stipulation of Consideration. The parties of the Agreement hereby acknowledge and stipulate to the consideration set forth herein.
10. Filing with City Clerk. Upon execution of the Agreement, the City will file same with the City Clerk.
11. Force Majeure. Grantees shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to comply with this Development Agreement when prevented from doing so by causes beyond its reasonable control including but not limited to acts of war (declared or undeclared), Act of God, Fire, strike, labor difficulties, acts or omissions of any governmental authority, compliance with government regulations, insurrection or riot, embargo, delay or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities from usual sources or from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of delay due to any such cause, the date of performance will be extended by period equal to the delay plus a reasonable time to resume performance.

[Signatures are on the Following Page]



IN WITNESS WHEREOF, The parties have caused this Development Agreement to be executed by affixing their signatures below.

CITY OF PONTIAC

Joseph M. Solota, M.P.A.

Ally K. Hayes
Witness

March 16, 2016
Date

PONTIAC WEST, LLC,
a Delaware limited liability company

By: Holdings Ohio Manager, LLC,
a Delaware limited liability company

[Signature]
By: Stuart Lichter, President

Witness

Date

PONTIAC CENTRAL, LLC,
a Delaware limited liability company

By: Holdings Ohio Manager, LLC,
a Delaware limited liability company

[Signature]
By: Stuart Lichter, President

Witness

Date

[Signature]