



SUGAR HILL ARTS DISTRICT Request for Proposals

MULTIFAMILY HOUSING + PARKING STRUCTURE DEVELOPMENT

Release Date: September 14, 2016

Pre-Submission Conference: September 29, 2016

Proposal Submission Deadline: November 14, 2016

Selection of Preferred Developer List: November 30, 2016

Shortlist Interviews: December 5-9, 2016

Final Selection/Recommendation: December 16, 2016



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I. INTRODUCTION

The City of Detroit's Housing and Revitalization Department ("HRD") and Planning and Development Department ("PDD") seek proposals from qualified entities for the purpose of developing a mixed-income (20% affordable set-aside at 80% of area median income) multifamily residential project with a structured parking garage and commercial space in the Sugar Hill Arts District located in Midtown Detroit.

The project site area is approximately 34,282 square feet, and consists of four vacant parcels lining Garfield and John R. (the "Sugar Hill Development Site"). The addresses of the four parcels are listed below and specifically defined in the legal description in Attachment A.

The intent of this Request for Proposals ("RFP") is to retain an experienced and qualified developer who will submit a contextually appropriate and financially feasible plan for a mixed-use, mixed-income development project that contains at least 60 multifamily residential units available for rent, 7,000 square feet of ground-level retail, and a structured parking garage for 260 vehicles.



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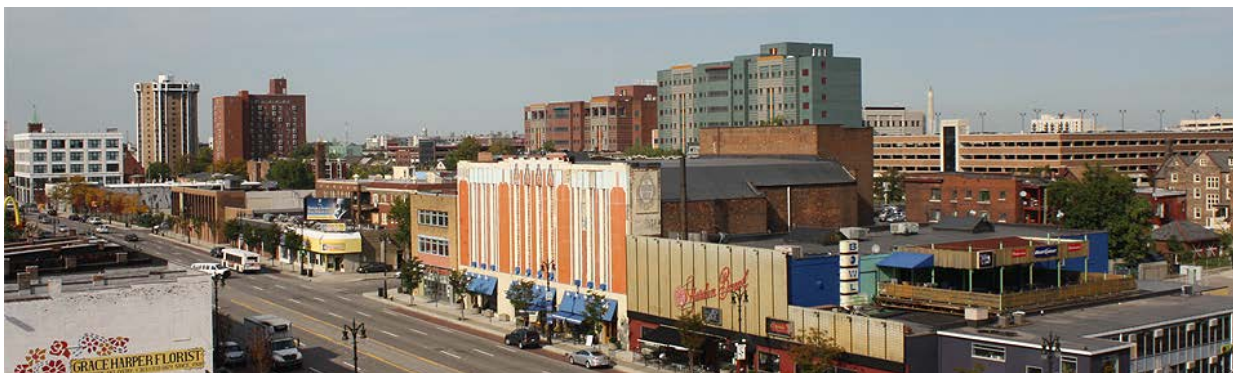
II. AREA OVERVIEW

Midtown Detroit

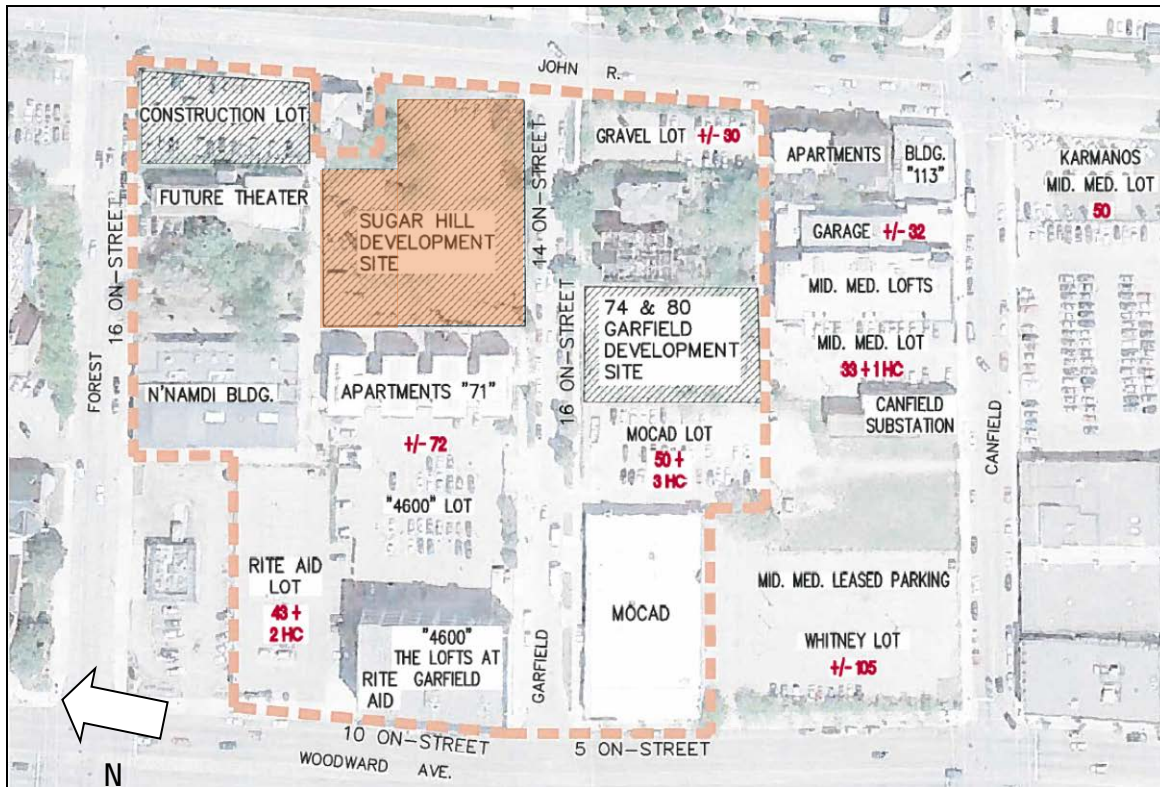
The Sugar Hill Development Site is located in Midtown Detroit, home to the largest concentration of cultural, educational, and medical institutions in Southeast Michigan. The Detroit Institute of Arts, Detroit Public Library, C. H. Wright Museum of African American History, Wayne State University, College for Creative Studies, Detroit Medical Center, Detroit Symphony Orchestra Hall, Masonic Temple, Wayne State University Research and Technology Park (TechTown), and the Henry Ford Hospital campus are all based in the Midtown District. Midtown establishments host two million visitors annually and have a daytime population of 50,000. Midtown also contains a Whole Foods Market (which is within walking distance of the Sugar Hill Development Site), over 60 restaurants, 11 galleries, and a multitude of other services and shopping destinations all within 2.7 square miles, making Midtown one of the best walkable communities in Detroit.

Midtown is one of the fastest developing areas in Detroit with a growing residential base and many opportunities for new construction and rehabilitation within its historic neighborhoods. Midtown's largest population is comprised of persons between the ages of 25-44 in addition to a considerable number of seniors, a growing moderate to middle-income component, and a significant concentration of low-income residents. Midtown has historically had a strong rental housing market supported by Wayne State students, medical residents, and young professionals who choose to live within walking distance of their employer. Overall, the Midtown population increased 7% from 2013 to 2015, contributing to the current rental housing occupancy rate of 98%.

As the Midtown Community Development Briefing and Investment Report contained in Attachment B demonstrate, there has been a considerable amount of investment in Midtown, including over \$500 million within a quarter-mile of the Sugar Hill Development Site since 2005, with several additional investments in the pipeline. Photos of development projects and infrastructure improvements in the neighborhood are available by downloading the [full briefing document](#).



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Note: The RFP site is indicated in orange shading and labeled, "Sugar Hill Development Site."

Sugar Hill Arts District

The Sugar Hill Arts District ("Sugar Hill") is bounded by E. Forest, John R., Canfield, and Woodward Avenue. In 2002, Sugar Hill was designated a national and local historic district based on its history as a center of Detroit jazz and entertainment venues serving diverse audiences. Today, Sugar Hill features a combination of residential, mixed-use, and arts-related businesses, and is home to cultural anchors such as the Museum of Contemporary Art Detroit (MOCAD) and the N'Namdi Center for Contemporary Art.

Midtown Detroit, Inc. ("MDI"), the local community development non-profit corporation in the Midtown area, spearheaded a neighborhood plan that envisions a two-block walkable micro-district anchored by arts, restaurants, and retail uses (the [Sugar Hill Neighborhood Plan](#), or the "Neighborhood Plan"). The Neighborhood Plan calls for Sugar Hill to reflect its artistic musical past and identifies areas for outdoor performance spaces, gardens, walkways, pedestrian corridors, art walls, and landscaping treatments to promote and establish a cohesive, attractive, and walkable arts district.

To date, MDI has invested well over \$2 million into Sugar Hill to complete many aspects of the Neighborhood Plan, including property renovations, greenways, and walkways. Renovation and construction projects completed or underway in the neighborhood include:

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- N'Namdi Center for Contemporary Art (Completed): George N'Namdi completed the renovation of two historic buildings at 52 and 66 E. Forest. The N'Namdi Center for Contemporary Art contains an expansive 16,000 square feet including four exhibition spaces, performance spaces, and an outdoor sculpture garden.
- 71 Garfield Apartments (Completed): Now leasing to artists and creatives, 71 Garfield has been renovated to provide 22 studio spaces and 16 rental apartments. Solar power, geothermal heating and cooling, and LED lighting were utilized to reduce energy consumption.
- Seva Restaurant (Completed): Vegetarian restaurant located in the Sugar Hill Arts District.
- MOCAD Gallery (Completed): Opened in 2006, the Museum of Contemporary Art Detroit is where adventurous minds encounter the best in contemporary visual, literary, music, and performing arts. MOCAD serves as the cultural anchor for Sugar Hill, generating a significant amount of visitors and arts-related activity.
- Midtown Loop Greenway (Completed): The Midtown Loop is a 3.5-mile greenway trail following existing street patterns that connects the campuses of Wayne State University and the Detroit Medical Center. The Loop connects to greenway initiatives in surrounding areas, providing a key component of a larger greenway network linking New Center, Eastern Market, the Dequindre Cut, Downtown, and the Riverfront. The Sugar Hill Development Site is located along the greenway, providing access to Whole Foods Market and other destinations.
- Sugar Hill Pedestrian Walkway and Infrastructure Project (Underway): The Michigan Council for Arts and Cultural Affairs funded a [public improvement plan](#) for Sugar Hill developed by Albert Kahn Associates. It includes streetscaping, outdoor performance spaces, and seating, as well as a water management plan that incorporates bioswales. More than \$800,000 in green pedestrian corridors have already been installed, with more slated to be built throughout the district.
- Q-Line (Underway): The Sugar Hill Development Site is within an 800-foot walking distance of the Q-Line Stop at Canfield and Woodward, which is anticipated to begin service in late 2017.
- 92 E. Forest (Planned): This vacant church was purchased by MDI and will undergo a \$5.5 million rehabilitation into an arts venue and artist accelerator with an outdoor patio. Construction is anticipated to begin in 2017.



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III. PROGRAM REQUIREMENTS AND GUIDING PRINCIPLES

Program Requirements

The City requests a mixed-use, mixed-income development with the following components (the "Project"):

- **Multifamily Residential:** At least 60 multifamily residential rental units, of which 20% shall be affordable to those households earning 80% of area median income (AMI) or lower. The unit mix and sizes should be supported by market conditions.
- **Ground-Floor Retail:** Ground-floor retail space should occupy a minimum of 7,000 square feet, with engaging street frontages and pedestrian entrances along Garfield and John R. MDI will be available to assist in identifying and attracting commercial tenants to occupy the retail space.
- **Parking Structure:** A parking structure for at least 260 vehicles should be provided to support both on- and off-site parking needs. The developer selected must provide parking for the ground-floor retail and at least one parking space per residential unit within the Project. The City will support any zoning change needed in order to meet the one-to-one parking ratio requested for the residential component. Additionally, Respondents should assume that 52 spaces shall be reserved at market rate for neighborhood uses including the N'Namdi Center for Contemporary Art and the 71 Garfield Apartments. Please see Section V for additional information regarding the parking structure.

A site plan showing a potential layout is shown below, with illustrative massing diagrams on the following page. Proposals are not required to use this layout, and innovative approaches to site design are encouraged.



Site plan with trees illustrates green connections and overall character.

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Illustrative massing diagrams and site plans that achieve the desired program. Proposals are not required to utilize this design.

Guiding Development Principles

The City of Detroit is committed to advancing design excellence in all projects to produce an equitable, sustainable, resilient, and healthy living environment for those who live, work, and play within and around Sugar Hill. Accordingly, proposals should exhibit walkable urban design principles and sustainable neighborhood development strategies, as follows:

Reinforce the Public Realm

1. Buildings should define the public space of a street or park in a meaningful way.
2. Mixed-use structures should be designed in such a way as to allow observation of the street.
3. Ensure clear views between building lobbies, retail space, and streets to reinforce safety.
4. Buildings generally should have minimal front lot line setbacks. Well-designed, varying setbacks (discontinuous with the lot frontage) will break up blocks and provide relief for the pedestrian.
5. The built environment should provide interesting building typologies with varied stylistic expressions. Buildings should be designed to complement the community and shall be compatible with the historic character of the existing architectural fabric within their immediate environs in regards to scale, materials, and quality.

Sustainable and Equitable Development

1. Provide a diverse residential stock with a balance of market rate and affordable units. At least 20% of the units shall be affordable to households making 80% of area median income (AMI) or lower.

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2. Densities should support opportunities for neighborhood commercial investment and jobs creation, thereby stimulating and supporting growth in the local economy.
3. Design for environmental sustainability - both in the natural (e.g., natural plant species) and built environment (e.g., storm water mitigation, LED lighting, renewable energies).

Parking

1. Parking should not be designed fronting a street without sufficient screening and buffering, subject to the approval of PDD.
2. Parking lots should be screened from upper unit views with trees or trellises.
3. Vehicular access should be located so as to minimize, if not avoid, conflicts with the pedestrian, utilizing alleys where possible.
4. Bicycle parking should be located so as to minimize, if not avoid, conflicts with pedestrians, utilizing alleys and adequate shelter where possible.
5. Exhaust louvers and grills from underground parking lots should be located away from pedestrian sidewalks.

IV. REGULATORY REQUIREMENTS

The Sugar Hill Development Site is currently zoned PD Planned Development. As stated in the City of Detroit Zoning Code (Sec. 61-11-11), the PD District is designed to permit flexibility in the overall development while ensuring adequate safeguards and standards for public health, safety, convenience, and general welfare. The selected developer must receive City Planning Commission approval and adoption of the site plan by the Detroit City Council. The development site is also located within the boundaries of a local historic district. Therefore, as per the City of Detroit Zoning Code Chapter 25, the selected developer must receive the Historic District Commission's approval of the project design. The full copy of Zoning Map 6 can be found [here](#). Respondents will be responsible for conducting their own due diligence on what additional zoning and permitting approvals, if any, may be required.

V. ACQUISITION BID & FINANCIAL INFORMATION

The City of Detroit has established a fair market value of Four Hundred Thousand Dollars (\$400,000.00) for 119 Garfield Street, 107 Garfield Street, 95 Garfield Street, and 81 Garfield Street.

Each proposal must include a bid price for the Property in the submission package, otherwise it shall be deemed ineligible for consideration. The minimum bid price is the established fair market value.

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The selected developer will be responsible for all infrastructure costs related to the project, including but not limited to electrical, street, water, sewerage, etc. The City may provide commercially reasonable credits against the bid price for actual capital costs incurred by the selected developer on publicly accessible infrastructure improvements. Each Respondent seeking such credits must clearly describe the credits sought and articulate financially how they determined the proposed reduction in price.

Section 108 Loan: The City secured a low interest Section 108 loan in the amount of Six Million Six Hundred Ninety-Six Thousand Nine Hundred Thirty Dollars (\$6,696,930.00) from the U.S. Department of Housing and Urban Development (“HUD”). The Section 108 program enables local governments to participate in the federal Community Development Block Grant (“CDBG”) program to obtain federally guaranteed loans that help fuel large economic development projects and other revitalization activities. HUD has approved the City to use these funds for the specific purpose of constructing a parking structure at the Sugar Hill Development Site. The funds will be available to the Project in the form of a subordinated loan, due and repayable to the City subject to the terms of the Section 108 program. The loan is included in the Series HUD 2015-A, which has a graduated interest rate over a 20-year period as shown in the schedule included as Attachment C. To further offset the costs associated with building surplus parking, Respondents should assume that the parking garage will generate revenue from hourly, daily, and monthly users.

Other Public Subsidies: The City may make available to the selected developer City grant funds (including HOME and CDBG). The City also may support the selected developer in seeking certain City tax incentives or abatements and state tax credits and grant funds.

VI. SUBMISSION REQUIREMENTS

Proposals shall not exceed twenty (20) double-sided pages in length, including maps, renderings, and plans. Each section of the proposal must be clearly identified with the appropriate headings. Up to ten (10) additional pages of financial information and/or personnel resumes may be attached as appendices. To be considered responsive to this RFP, Respondents must provide all of the information requested. The specifications within the RFP represent the minimum performance necessary for response.

Proposals should be submitted using the following format:

Section 1, Project Description: A narrative of the Respondent’s approach to the development of at least 60 residential units (including proposed unit mix and size breakdown), at least 7,000 square feet of retail space, and 260 parking spaces. Specifically articulate how the proposal is contextually appropriate, relates to the guiding principles section of the RFP, and is inclusive of community engagement. Describe and support the anticipated market, users, and/or customers of the Project, as well as estimated numbers and kinds of tenants for the retail space.

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Additionally, Respondent must provide a parking strategy that addresses how it will manage and regulate parking spaces for the residential and ground floor retail portion of the Project, the N'Namdi Center for Contemporary Art, 71 Garfield Apartments, and spaces open to the general public. The City supports parking being made available to the general public at market rates.

Section 2, Site Plans: Provide a schematic plan including a site plan, schematic floor plans for each level, and rendered contextual views of the proposed development. Plans shall be no larger than 11 inches x 17 inches in size. In connection with these plans, specifically identify any public infrastructure, utility, zoning, or other public or quasi-public entitlements or on-site or off-site improvements not presently in place with respect to the Sugar Hill Development Site, which the proposal assumes will need to be provided or approved by a state, county or local governmental unit or public utility provider.

Section 3, Project Schedule: Include a project schedule including start and completion dates and other key dates as identified for action. The proposal must include the time period by which this Project will be initiated and completed.

Section 4, Project Financing: Include specific terms of site acquisition and a development budget for each of the three components (residential, commercial, and parking). All portions of the development must include phasing as may be applicable, as well as a ten-year pro forma (operating budget) analysis including market and financial assumptions, and other financial information for the Project. Include the anticipated time schedule to assemble needed financial commitments, types of financing expected, specific incentives required and their impact on the financial assumptions, and letters of interest from banks or other sources. Include any other financial commitments or projections that are relevant to the successful completion of the Project. Financial partnerships (e.g., public/private; non-profit/profit) must be identified. **All proposals must include a bid price for the Sugar Hill Development Site.**

Section 5, Overview of the Organization: Provide a history of the Respondent's business or organization, including years of operation, locations, size, growth, services, and financial stability. Include information regarding any pending or recent lawsuits against the organization, its officers, or employees. If the proposal is submitted by a lead organization on behalf of several partners, provide similar information for each partner.

Section 6, Professional Qualifications: List all key individuals and third party service providers working on the Project, their respective roles and responsibilities, and a brief professional history of each, including technical and/or professional expertise. An organizational chart of the members of the development team should be included along with a designation of the individual who is responsible for day-to-day planning and development activities for the Project.

Section 7, Prior Experience: Provide a description and dates of other mixed-use new construction residential and parking garage projects completed, particularly those of similar size and characteristics.

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Include names, titles, e-mail addresses, and phone numbers of contact persons from units of government where these projects are located. Include supporting documents to demonstrate capacity.

Section 8, Local Hiring: It is the policy objective of the City to improve the economic conditions of individuals, households, and companies in Detroit. City of Detroit [Executive Order No. 2014-4](#) and [Executive Order No. 2014-5](#), or any superseding executive order, regarding Resident/Local Employment and Contracting are applicable to this Project. Include a strategy to address local hiring and compliance with the executive orders, as well as statistics that evidence previous experience with local hiring on past projects.

Note that in addition to the foregoing, finalists may also be asked to provide substantive information regarding the financial capacity of the submitting organization and its principals, including the Respondent's financial statements from the previous three years. Reasonable efforts shall be made by the City of Detroit to maintain such information in confidence during the final review period, however, as with other information submitted under this Request for Proposals, such information may also be subject to the Freedom of Information Act.

VII. EVALUATION AND SELECTION PROCESS

Evaluation Process

A Selection Committee (the "Committee") will be established to review submissions. The Committee will consist of representatives from HRD, PDD, the Jobs and Economy Team, and two community stakeholder representatives. Additionally, the Committee may seek assistance from selected consultants. The Committee reserves the right to contact references and verify material submitted in any proposal.

The submission of a proposal with all the requested information does not guarantee the Respondent will be a candidate for an interview.

The Committee may elect to schedule interviews with a short list of submitters. The Respondent(s) interviewed will be given the opportunity to discuss in more detail their qualifications, past experience, and redevelopment proposal during the interview process. Following the interview phase, and assuming the Committee elects to pursue a specific proposal, a Respondent may be selected.

The City intends to negotiate the terms and conditions of the sale and development through a Development Agreement, a sample of which is provided in Attachment D. It is the City's expectation that the Sugar Hill Development Site program should be completed in three (3) years from the date of closing. As set forth below, a developer's demonstrated capacity to meet the timeline will be a factor in proposal evaluation.

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Selection Criteria

<p><u>Development Strategy and Methodology</u></p> <ul style="list-style-type: none"> The proposed development and methodology provided by the Respondent is logical, reasonable, and clearly understandable, and indicates an understanding of realistic sources and uses of funds required for the Project. The budgets provided indicate the Respondent's commitment to ensuring the pricing proposed is reasonable. The proposed timeline ensures timely completion of the Project. 	<p>20 points</p>
<p><u>Project Design Standards</u></p> <ul style="list-style-type: none"> The degree to which the Respondent can demonstrate the proposed project and architectural design incorporate a philosophy of strong design principles, environmental standards, and reflect the RFP Program Requirements and Guiding Development Principles. 	<p>20 points</p>
<p><u>Financial and Leverage Capacity</u></p> <ul style="list-style-type: none"> Ability to obtain, structure, and implement financing for the Project, including demonstrated ability to procure financing and complete projects on schedule and within budgetary assumptions. Depth and credibility of financial proforma, ability to deliver identified financial sources, and capacity of development principals. 	<p>20 points</p>
<p><u>Respondent and Proposed Team Experience</u></p> <ul style="list-style-type: none"> Successful experience in the planning, redevelopment, construction, and management of development projects of comparable size and complexity. Cohesion of the team, as demonstrated by previous experience working together. The degree to which the team demonstrates successful experience with ownership and property management of rental developments of similar size. 	<p>20 points</p>
<p><u>Local Hiring and Participation</u></p> <ul style="list-style-type: none"> Strategy addressing local hiring and compliance with Executive Order No. 2014-4 and Executive Order No. 2014-5, or any superseding executive order, and evidence of previous experience with local hiring on past projects. Detroit-based project team and/or partnerships with local firms and community organizations. 	<p>10 points</p>
<p><u>Bid Price</u></p> <ul style="list-style-type: none"> Value of the acquisition terms. 	<p>10 points</p>

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The major criteria for selecting a developer will be the submission of qualifications that meet the criteria stated in Section VI of this RFP, titled Submission Requirements. A qualified developer is an individual or development team that, in the opinion of the Committee, possesses the experience, design acumen, and financial resources necessary to undertake and successfully complete the development of the Sugar Hill Development Site within the requirements of federal and local laws and regulations in a timely fashion.

VIII. SUBMISSION PROCESS AND TIMELINE

Directions for Submissions

To be considered, all RFPs must be received by 5:00pm EST on Monday, November 14, 2016. The responsibility of submitting the RFP rests entirely with the Respondent to the RFP.

Submissions may be made electronically in an 8.5x11 PDF format via email to sugar-hill@detroitmi.gov, or delivered to the Housing and Revitalization Department, Attn: Donald Rencher, located at 2 Woodward Avenue, Suite 908, Detroit, Michigan 48226. Hardcopy submissions must include three copies of the submission.

Proposals sent by overnight delivery service will be considered timely if the date stamped is at least one (1) day before the date set for receipt of the RFP. The burden of proof to establish timely filing of a proposal by overnight delivery service shall be solely upon the entity or person submitting the proposal. It is the Respondent's obligation to ensure the required submission arrives in a timely manner at the specified location. Any submission that is not properly marked, addressed, or delivered to the submission place, in the required form, by the required submission time will be ineligible for consideration. Faxed submissions will not be accepted.

Once received by HRD, submissions will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted by email to sugar-hill@detroitmi.gov. Responses will be provided to all inquiries and answers to frequently asked questions will be available. Responses to questions will be e-mailed to all Respondents on a weekly basis. No information concerning this solicitation or request for clarification will be provided in response to telephone calls.

All expenses involved in the preparation and submission of the RFP to the City of Detroit or any work performed in connection therewith shall be assumed by the Respondents. No payment will be made by the City of Detroit for any responses received, nor for any other effort required of or made by the developer prior to the commencement of work.

All information in a Respondent's proposal is subject to disclosure under the provisions of Public Act No. 442 of 1976, as amended (known as the Freedom of Information Act).

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Pre-Submission Conference & Timeline

On Thursday, September 29, 2016, the Housing and Revitalization Department will conduct an optional Pre-Submission Conference at 2 Woodward Avenue, Suite 908 from 10:00 a.m. to 11:00 a.m. Those unable to attend in person may participate via phone using dial-in number (641) 715-3580 with access code 465-220-363.

ACTIVITIES

Release Date:
Pre-Submission Conference:
Proposal Submission Deadline:
Selection of Preferred Developer List:
Shortlist Interviews:
Final Selection/Recommendation:

DATE

September 14, 2016
September 29, 2016
November 14, 2016
November 30, 2016
December 5-9, 2016
December 16, 2016

For any questions regarding the submission of qualification statements, please contact sugar-hill@detroitmi.gov.

IX. RESERVATION OF RIGHTS

The City of Detroit reserves the right to reject any and all proposals and to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price.

The City of Detroit reserves and may exercise the right to request one or more of the developers to provide additional material, clarification, confirmation, or modification of any information in the submission, and can supplement, amend, substitute, cancel, or otherwise modify this Request for Proposal at any time prior to the selection of one or more developers.

In the event that the process outlined in Section VI does not result in the execution of a definitive selection, the City of Detroit, at its sole option, may choose to initiate negotiations with any other qualified developer, reopen the entire RFP process, or pursue any other avenues for the sale of the property deemed appropriate by the City of Detroit.

All land sales made by the City of Detroit must be approved by Detroit City Council.

Please Note: All Property will be sold "AS IS."

Respondents are hereby notified that the City has not investigated the environmental condition of the Sugar Hill Development Site. Various Federal, State, or other City agencies may have information regarding the environmental condition of the site. Each Respondent is encouraged to conduct its own due diligence

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regarding the environmental condition of the Sugar Hill Development Site. The City of Detroit makes absolutely no warranty or representation regarding the environmental condition of any portion of the Sugar Hill Development Site offered within this RFP.

X. LIST OF ATTACHMENTS

- A. Legal Description
- B. Midtown Community Development Briefing and Investment Report
- C. HUD Section 108 Offering Circular
- D. Standard City of Detroit Development Agreement

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Attachment A Legal Description

EXHIBIT A

Land in the City of Detroit, County of Wayne and State of Michigan being Lots 8, 9, 10 and the South 140.26 feet of Lot 11; Plat of Hubbard & King's Subdivision of Park Lot 32 & Part of Park Lot 33, City of Detroit, Wayne County, Michigan, T. 2 S. , R. 12 E. Rec'd L. 7, P. 20 Plats, W.C.R.

**DESCRIPTION CORRECT
ENGINEER OF SURVEYS**

BY Basil Sarim
CED


a/k/a 119, 107, 95 & 81 Garfield

Ward 01 Items 1163, 1164, 1165 & 1166

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Attachment B

Midtown Community Development Briefing and Investment Report



2016 Community Development Briefing

POPULATION

Total Population

20,653

Midtown
17,643
TechTown
383
New Center
2,627

7%

Population increase since 2013

56%

Diversity Index

EMPLOYMENT

Midtown Workers

50,000 +

Midtown is made up of a very diverse workforce. Major industries include healthcare, education, and arts & culture.

Employed by Anchor Institutions

54%

The College for Creative Studies, Detroit Medical Center, Henry Ford Health System, and Wayne State University employ over half of all Midtown's workforce.

Detroit Residents Employed by Midtown's Small Businesses

51%

Midtown's small businesses like to hire locally. Over half of the small business workforce live in the City of Detroit.

VISITORS

Annual Visitors

2.7 Million +

Each year, people from all over come to visit Midtown for its major events and cultural institutions. Some of the major cultural events and institutions are included below:

Major Cultural Institutions

Detroit Historical Museum	100,000
Detroit Institute of Arts	677,496
Detroit Public Library	500,000
Detroit Symphony Orchestra	250,000
Michigan Science Museum	173,891
Museum of African American History	265,000

Visitors/Year

Major Events

African World	150,000
Art X	15,000
Concert of Colors	80,000
Dlectricity	175,000
Noel Night	40,000













Visitors/Year

BUSINESSES

2013-2016 New Businesses

96	Storefront businesses opened or expanded	98	Businesses received assistance from MDI
46	Other businesses opened or expanded	91	Total new businesses minority/woman owned
94	Additional start-ups opened in TechTown or Green Garage	27	New businesses anticipated to open in 2016

Midtown Business Breakdown

	Retail	39	129	Office	
	Pharmacy	6	73	Restaurants	
	Health & Wellness	16	18	Clothing & Apparel	
	Entertainment	4	4	Hotel/Lodging	
	Services	23	6	Grocery/Market	
	Bars	8	14	Cafes	

110 + Small businesses are in the pipeline looking for space in Midtown/New Center

Retail Rental Rates

\$16 - \$30 NNN

Office Rental Rates

\$14 - \$20 NNN

2015 HOUSING SURVEY

Rental Housing



Total Housing Units Surveyed

6072

Rate/Square Foot

\$1.60 - \$2.12

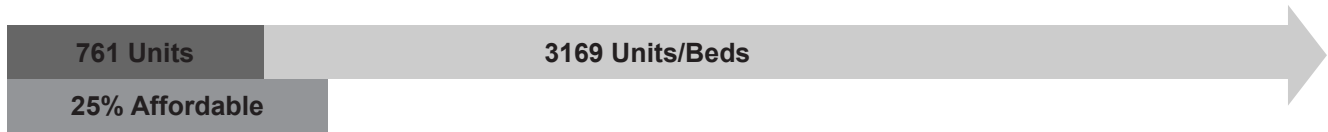
2014-2015 Rental Increases

Art Center	11%
Brush Park	15%
Cass Park	2%
Medical Center	10%
New Center	14%
North Cass	12%
Wayne State	10%
Woodbridge	6%

Total Midtown/New Center Increase: 10%

Under Construction

Pipeline



For Sale Housing

Average Listing Price **\$279,567**

Average Price/SqFt **\$210**

Average Sale Price **\$283,813**

Average Days Listed **77 Days**

INVESTMENT

2006-2016 Investment in Midtown & New Center

Over \$2.1 Billion

Midtown & New Center Investments in the Pipeline

Over \$2.3 Billion



Commercial Space

Over **550K square feet** has been added or upgraded. Over **170K** is in the pipeline.



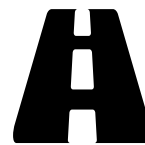
Institutional Space

Over **3.5 million square feet** has been added or upgraded. Over **400K** is coming online.



Housing Units

Over **2000 units** have been added or renovated. Another **3169 units/beds** are in the pipeline.



Infrastructure Upgrades

Over **13 miles** of streets/bike lanes and over **5 acres** of parks have been improved.



Parking Spaces

Over **3000 spaces** have been added. **600** more are scheduled to come online.

LIVE MIDTOWN

Total Participants

1,332

Total participants include all rental, renewals, home purchases, and exterior improvement participants.

Adjusted for Household Size

2,025

When factoring in the average household size of 1.52, 2,025 residents were impacted.

New Midtown Residents

1,125

740 Live Midtown participants were new to the Midtown area. When factoring in the average household size, 1,125 new residents were attracted to Midtown by the program.

Retained Midtown Residents

900

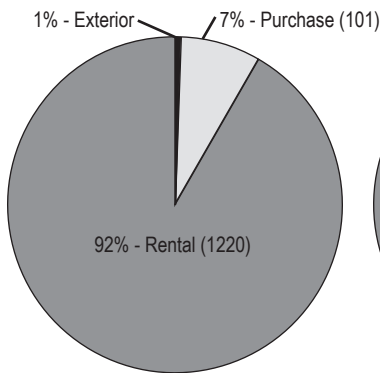
592 Live Midtown participants were already living in the Midtown area. When factoring in the average household size, 900 existing residents were retained by the program.

Financial Impact

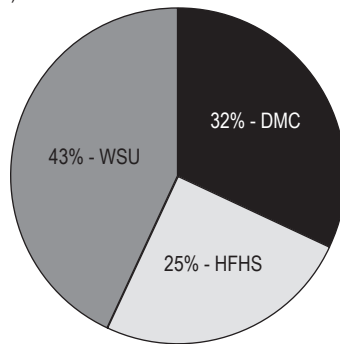
\$21 Million +

Over the 5 year period, the program has leveraged \$11,452,730 in rental payments and \$10,216,114 in home purchases.

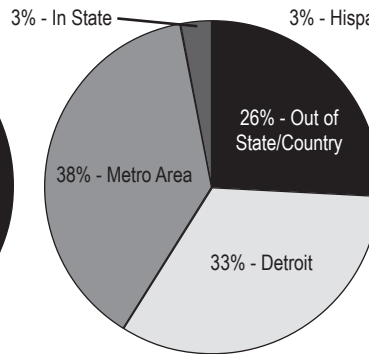
Program Participants



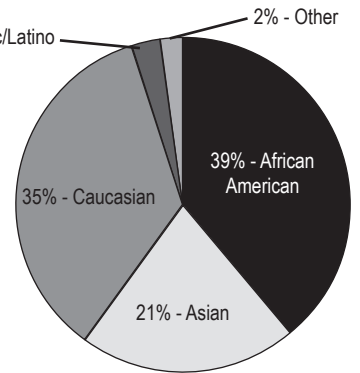
Institution Participants



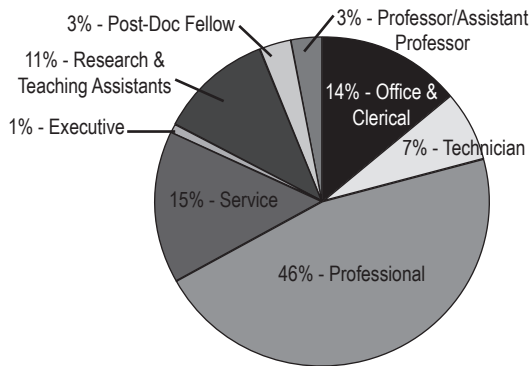
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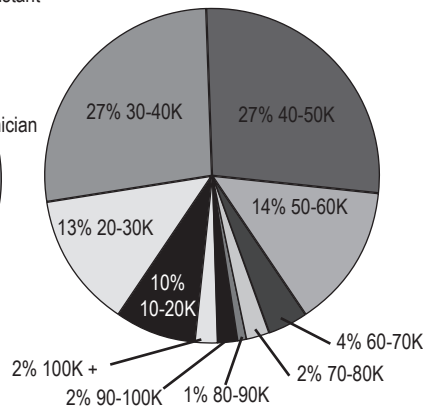
Race



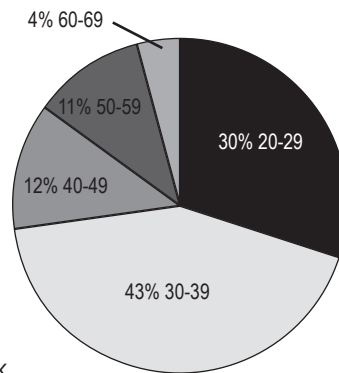
Job Category



Income



Age

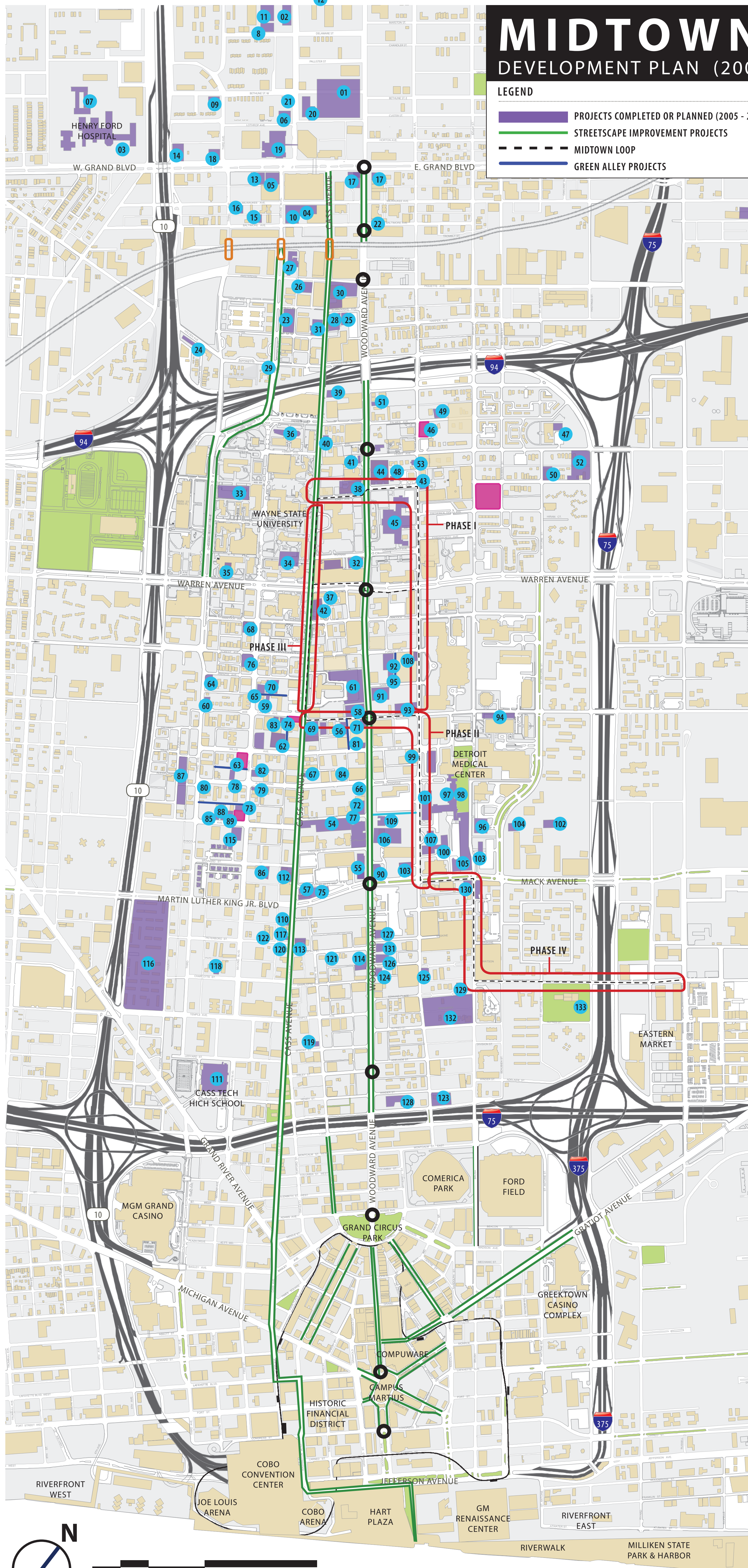


MIDTOWN DETROIT

DEVELOPMENT PLAN (2005 - 2016)

LEGEND

- PROJECTS COMPLETED OR PLANNED (2005 - 2016)
- STREETScape IMPROVEMENT PROJECTS
- MIDTOWN LOOP
- GREEN ALLEY PROJECTS
- MIDTOWN VIADUCT PROJECTS
- PARK/GARDEN PROJECTS
- M-1 RAIL STATION LOCATIONS
- MIDTOWN LOOP



NEW CENTER DISTRICT

01. Lofts at New Center (2007)
02. Midtown Square Apartments (2007)
03. Henry Ford Hospital Improvements (2008)
04. Argonaut Building Renovation/CCS Taubman Center (2009)
05. New Center Park (2009)
06. Fisher Kahn Apartments (2011)
07. Henry Ford Innovation Institute (2011)
08. New Center Commons Apartments (2011)
09. Resendes Design Group (2011)
10. Shinola Watch & Leather Factory (2012)
11. Birchmont (2013)
12. New Center Square (2013)
13. Boulevard West Building Upgrade (2015)
14. Detroit Police Department Headquarters (2015)
15. The Sprinkler Building (2015)
16. Wayne County Community Health (2015)
17. Woodward Shoppes (Planned)
18. NW Third/W. Grand Boulevard (Planned)
19. Fisher Building Redevelopment (Planned)
20. Albert Kahn Building Redevelopment (Planned)
21. 7441 Second (Planned)
22. 6402 Woodward (Planned)

TECHTOWN

23. NextEnergy (2005)
24. University Prep Academy Elementary - Ellen Campus (2005)
25. Graphic Arts Lofts (2006)
26. University Prep Academy Elementary - Murray Campus (2008)
27. New Amsterdam Lofts (2008)
28. WSU Public Safety Headquarters (2008)
29. Second Avenue Special LED Street Lighting Project (2012)
30. iBio The Integrative Biosciences Center (2015)
31. Cass Avenue Mixed Use (WSU Criminal Justice Building) (Planned)

WAYNE STATE UNIVERSITY DISTRICT

32. WSU Macabees Building Renovation (2005)
33. WSU Undergraduate Dormitories/Mixed Use Development (2005)
34. WSU Chemistry Building Renovation and Expansion (2009)
35. WSU Engineering School Expansion and Renovations (2009)
36. WSU Law School Expansion (2010)
37. Union at Midtown (2011)
38. Detroit Historical Museum Renovation (2012)
39. Carhartt (2015)
40. The Verona Renovations (2015)
41. WSU School of Social Work (2016)
42. Union at Midtown - Phase II (Planned)/ Mac n' Brewz (completed)

ARTS CENTER DISTRICT

43. CCS Josephine Ford Sculpture Garden (2005)
44. Park Shelton Condo Renovations (2005)
45. DIA Renovation and Expansion (2008)
46. Art Center Garden (2010)
47. Golightly Pre-School (2010)
48. Hellenic Museum of Michigan (2012)
49. Palmer Street Apartments (2015)
50. 609 E. Kirby Lofts (2016)
51. 5734 Woodward (2016)
52. Art Center Row Houses (2016)
53. 110 E. Ferry Renovation (Planned)

NORTH CASS DISTRICT

54. Detroit School of Arts (2005)
55. University of Michigan - Detroit Center (2005)
56. 55 W. Canfield Lofts (2006)
57. Chesterfield Apartments Rehab (2006)
58. The Whitney Renovation (2007)
59. Motor City Brewing Renovations (2007)
60. Nine on Third Townhomes (2007)
61. Studio One Development (2008)
62. Willy's Overland Lofts Mixed-Use Development (2008)
63. North Cass Community Garden (2009)
64. Beethoven Apartments (2009)
65. The Green Garage (2011)
66. Great Lakes Coffee Roasting Company (2012)
67. Adnan Charara Studio (2013)
68. Sherbrooke Apartments (2013)
69. The Auburn (2013)
70. The Brentwood Apartments (2014)
71. HopCat (2014)
72. Woodward Garden Block Development (2014)
73. Selden Standard (2014)
74. Jolly Pumpkin (2015)
75. Cass Plaza/Davenport (2015/2016)
76. Forest Arms Renovation (2015)
77. UM Architecture Studio (2015)
78. El Moore (2015)
79. 3980 Second (2015)
80. Rainer Court (2015)
81. Woodward Willis Building (2015)
82. WILL Leather Goods (2015)
83. Third Man Records (2015)
84. Strathmore Apartments (2016)
85. 678 Selden (2016)
86. Treymore Apartments (2016)
87. Eco-Homes (Planned)
88. Selden Street Development (Planned)
89. Shinola Audio Factory (Planned)

MEDICAL CENTER DISTRICT

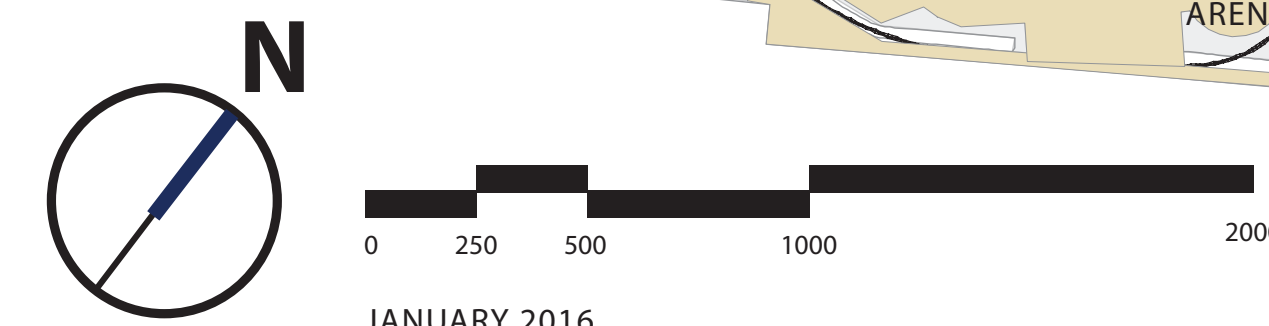
90. The Ellington Lofts Development (2006)
91. MOCAD (2006)
92. N'Namdi Contemporary Gallery (2008)
93. Mid-Med Building (2008)
94. WSU Medical Library (2009)
95. 71 Garfield (2010)
96. CHM Pediatric Specialty Center (2010)
97. Harper/Hutzel/CVI Hospitals Upgrades and Expansion (2011)
98. Hutzel Women's Hospital Renovation (2011)
99. Newberry Hill Apartments (2011)
100. Rehab Institute of Michigan (2011)
101. Central Campus Parking Deck (2012)
102. WSU Psychology Building (2012)
103. Whole Foods Market (2013)
104. Children's Hospital New Facilities (2014)
105. DMC Heart Hospital & Parking Deck (2015)
106. WPG Medical Clinic Building (Planned)
107. McLaughlin Hall (Planned)
108. 92 E. Forest (Planned)
109. The Plaza (Planned)

CASS PARK DISTRICT

110. Canine to Five Dog Daycare (2005)
111. Cass Tech High School (2006)
112. The Hub Bicycle Shop (2008)
113. Burton School Project (2009)
114. DC3 Car Wash Redevelopment (2012)
115. Coronado Apartments (2013)
116. Cornerstone Estates (2013)
117. Iconic Building (2015)
118. 644 Charlotte (2016)
119. Eddystone Renovation (Planned)
120. Chung's Restaurant Redevelopment (Planned)
121. Scott Mansion Redevelopment (Planned)
122. Shipyard (Planned)

BRUSH PARK DISTRICT

123. Inn at 234 Winder (2007)
124. ACLU (2008)
125. Brush Park Village North (2008)
126. Crystal Lofts Mixed-Use Rehab (2008)
127. Michigan State University - Detroit Center (2009)
128. Garden Lofts at Woodward Place (2010)
129. The Edmund (2012)
130. Rainbow Child Care Center (2016)
131. The Scott (2017)
132. Bedrock Development (Planned)
133. Wheeler Recreation Center Redevelopment (Planned)





Midtown Detroit, Inc.
Investment Report 2006-2016

Year	Project	Address	Amount	Units/SF/Parking	Use	Area
2006	Bankle Building Façade	4265 Woodward Ave.	\$150,000	Façade Improvements	Commercial	Brush Park District
2006	Cass Tech High School	2501 2nd Ave.	\$114,500,000	402,000 SF	Educational Facilities Investment	Cass Park District
2006	Charfoos & Christensen (Hecker-Smiley Mansion)	5510 Woodward Ave.	\$900,000	21,000 SF	Commercial	Art Center District
2006	Chesterfield, The	3566 Cass Ave.	\$2,300,000	24 Units	Residential/Mixed-Use	North Cass District
2006	Detroit Police Central District HQ	7310 Woodward Ave.	\$4,100,000	225,000 SF	Private Commercial	New Center
2006	Detroit Youth Foundation - Youthville	7375 Woodward Ave.	\$12,000,000	75,000 SF	Educational Facilities Investment	New Center
2006	Ecumenical Theological Seminary	2930 Woodward Ave.	\$1,000,000	16,655 SF + 120 Parking	Educational Facilities Investment	Brush Park District
2006	Ellington Lofts, The	3670 Woodward Ave.	\$35,000,000	55 Units +13,000 SF	Residential/Mixed-Use	Medical Center District
2006	Good Wells Natural Food Market	418 West Willis Street	\$25,000	2,000 SF	Commercial	North Cass District
2006	Graphic Arts Lofts	41 Burroughs	\$6,270,000	40 Units	Residential/Mixed-Use	TechTown District
2006	JVS Improvements	4250 Woodward Ave.	\$100,000	31,500 SF	Institutional Campus Investment	Medical Center District
2006	Lofts at 55 West	55 W. Canfield	\$5,300,000	30 Units	Residential/Mixed-Use	North Cass District
2006	Museum of Contemporary Art Detroit (MOCAD)	4454 Woodward Ave.	\$3,000,000	22,000 SF	Institutional	Medical Center District
2006	New Center Streetscape Improvements Phase I	Woodward and Cass Ave.	\$3,700,000	1.5 Miles	Public Infrastructure	New Center
2006	Springfield Lofts	627 Alexandrine	\$2,000,000	10 Units	Residential	North Cass District
2006	Starbucks (In the Ellington)	3670 Woodward Ave.	Not Available	1,500 SF	Commercial	Medical Center District
2006	Woodward Ave. Streetscape Phase IV	Selden to Warren/Ferry to I-94	\$4,600,000	.7 Miles	Public Infrastructure	Cass Park District
2007	Bank of America (In the Ellington)	3670 Woodward Ave.	\$800,000	2,000 SF	Commercial	Medical Center District
2007	Charlotte Apartments	66 Charlotte/74 Charlotte	\$2,400,000	10 Units	Residential	Cass Park District
2007	FedEx/Kinko's (In the Ellington)	3670 Woodward Ave.	Not Available	3,000 SF	Commercial	Medical Center District
2007	Inn at 234 Winder	234 Winder St	Not Available		Commercial	Brush Park District
2007	Lofts at New Center	9 Pallister St	\$14,280,000	80 Units	Residential/Mixed-Use	New Center
2007	Motor City Brewing Tap Room	470 W. Canfield Detroit	\$200,000	3,500 SF	Commercial	North Cass District
2007	Nine on Third Townlofts	4402 Third St.	\$1,700,000	9 Units	Residential/Mixed-Use	North Cass District
2007	Re:View Contemporary	444 West Willis Street	\$100,000	1,300 SF	Commercial	North Cass District
2007	Whitney Renovation, The	4421 Woodward Ave.	\$1,000,000	7,500 SF	Commercial	North Cass District
2008	ACLU	2966 Woodward Ave.	\$1,500,000	9,500 SF	Commercial	Brush Park District
2008	Au Bon Pain (DMC)	4201 St. Antoine	\$200,000		Commercial	Medical Center District
2008	Black Dress Shop, The	87 E. Canfield	\$25,000	1,000 SF	Commercial	Medical Center District
2008	Crystal Lofts	3100 Woodward Ave.	\$5,000,000	20 Units + 12,380 SF	Residential/Mixed-Use	Brush Park District
2008	Curl Up & Dye	4215 Cass Ave.	\$75,000	1,500 SF	Commercial	North Cass District
2008	Detroit Institute of Arts Renovation	5200 Woodward Ave.	\$160,000,000	657,650 SF	Institutional	Art Center District
2008	Fifth Third Banking Center (In the Studio One)	4501 Woodward Ave.	\$2,400,000	1,500 SF	Commercial	North Cass District
2008	Garden Lofts	66 Winder	\$75,000,000	62 Units	Residential	New Center District
2008	Henry Ford Hospital Renovation	2799 W Grand Blvd	\$310,000,000		Institutional	New Center
2008	HFHS Genetic Laboratory (TechOne)	440 Burroughs	\$3,000,000	10,000 SF	Institutional	TechTown District
2008	Hub Bicycle Shop, The	3611 Cass Ave.	\$50,000	6,750 SF	Commercial	Cass Park District
2008	Lefty's Lounge	5440 Cass Ave.	\$300,000	2,000 SF	Commercial	Wayne State University District
2008	Mario's Italian Restaurant	4222 2nd Ave.	\$500,000	13,000 SF	Commercial	North Cass District
2008	Michigan First Credit Union	5057 Woodward Ave.	Not Available		Commercial	Wayne State University District
2008	Mid-Med Lofts	4265 John R. St	\$2,000,000	36 Units	Commercial	Medical Center District
2008	New Amsterdam Lofts	6200 Second	\$7,800,000	55 Units	Residential/Mixed-Use	TechTown District
2008	New Center Woodward Gateway Façade Improvements Phase I	6432 Woodward Ave.	\$300,000	7 Storefronts	Private Commercial	New Center
2008	People's Records	3161 Woodward Ave.	\$60,000	450 SF	Commercial	Medical Center District
2008	Physicians Pharmacy	40 East Alexandrine Street	Not Available		Commercial	Medical Center District
2008	Planned Parenthood	4229 Cass Ave.	\$1,000,000		Commercial	Cass Park District
2008	Studio One Apartments	4501 Woodward Ave.	\$55,000,000	124 Units	Residential/Mixed-Use	North Cass District
2008	University Prep Academy Elementary (Murry Campus)	435 Amsterdam	\$10,000,000	50,000 SF	Educational Facilities Investment	TechTown District
2008	University Preparatory Academy Middle School - Math & Science	5020 John R Rd.	\$15,000,000	80,000 SF	Educational Facilities Investment	Art Center District
2008	Wayne State University Dormitories (Towers & Gafari)	Anthony Wayne Drive	\$98,000,000		Institutional Campus Investment	Wayne State University District
2008	Wayne State University Forest Ave. Parking Deck (Studio One Apts)	Forest Ave.	\$15,900,000	950 Parking	Institutional Campus Investment	Wayne State University District
2008	Willys Overland Lofts	444 W. Willis Ave.	\$18,000,000	75 Units	Residential/Mixed-Use	North Cass District
2008	Woodward Garden Block Development Phase I - Parking Structure	71 W. Alexandrine	\$9,000,000	300 Spaces	Commercial	North Cass District
2008	WSU Public Safety Headquarters	6050 Cass Ave.	\$6,640,000	60,000 SF	Institutional Campus Investment	TechTown District
2009	39 & 61 Peterboro	39 & 61 Peterboro	\$2,500,000	6 Units	Residential	Cass Park District
2009	Beethoven Building	4474 Third St.	\$1,800,000	28 Units	Residential/Mixed Use	North Cass District
2009	Carlton, The	2915 John R	\$15,000,000	49 Units + 4,842 SF	Residential/Mixed-Use	Brush Park District
2009	CCS Taubman Campus (Argonaut Building)	485 W Milwaukee Ave.	\$145,000,000	750,000 SF	Institutional	New Center
2009	Little Asia Market	4718 Anthony Wayne Dr.	Not Available		Commercial	North Cass District
2009	Michigan State University Detroit Center	3408 Woodward Ave.	\$2,000,000	15,880 SF	Institutional Campus Investment	Brush Park District
2009	Motown Montessori	3420 Cass Ave.	\$1,300,000		Commercial	Cass Park District
2009	MSU Osteopathic Center	4707 St. Antoine	Not Available		Medical Facilities Investment	Medical Center District
2009	New Center Park	2290 W Grand Blvd	\$1,800,000	.5 Acres	Public Infrastructure	New Center
2009	North Cass Community Garden	Second/W. Willis	\$100,000	.5 Acres	Public Infrastructure	North Cass District
2009	Textures by Nefertiti	4147 Cass Ave. # 200	\$25,000		Commercial	North Cass District
2009	Third Bar	4626 Third Ave.	\$100,000	4,813 SF	Commercial	North Cass District
2009	Wasabi	15 East Kirby Street	\$240,000		Commercial	Art Center District
2009	Wayne State University Chemistry Building Expansion	WSU Campus	\$42,000,000	105,500 SF	Institutional Campus Investment	Wayne State University District
2009	Wayne State University Danto Engineering Development Center	Warren at Anthony Wayne	\$28,000,000	82,500 SF	Institutional Campus Investment	Wayne State University District
2009	Wayne State University Medical Education Commons	540 E Canfield	\$35,000,000	53,000 SF	Institutional Campus Investment	Medical Center District
2010	71 Garfield	71 Garfield	\$6,000,000	20 Units	Residential/Mixed-Use	Medical Center District
2010	Art Center Community Garden	John R/E. Palmer	\$100,000	.6 Acres	Public Infrastructure	Art Center District
2010	Be Nice Yoga	4100 Woodward Ave.	\$40,000	1,200 SF	Commercial	Medical Center District
2010	Boulevard West Building	2990 W Grand Blvd	\$1,256,000	40,000 SF	Institutional	New Center
2010	City Wings	2896 W. Grand Blvd.	Not Available	1,200 SF	Commercial	New Center
2010	Community Acupuncturist	4100 Woodward Ave.	\$70,000	1,600 SF	Commercial	Medical Center District



Midtown Detroit, Inc.
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Year	Project	Address	Amount	Units/SF/Parking	Use	Area
2010	D MET Design	15 E. Kirby, Suite 103	Not Available		Commercial	Art Center District
2010	Golightly Preschool	5536 Saint Antoine St	\$20,000,000		Educational Facilities Investment	Art Center District
2010	Goods	15 E Kirby St	\$25,000		Commercial	Art Center District
2010	Green Alley - Pilot	Second btwn Canfield/Prentis	\$75,000		Public Infrastructure	North Cass District
2010	Kumon of Midtown Detroit	41 Burroughs St. #105	Not Available	2,000 SF	Commercial	Art Center District
2010	Majestic Alley Deck	4140 Woodward Ave.	\$145,000		Commercial	Medical Center District
2010	MDOT Intermodal Site Phase I	6270 Woodward Ave.	\$80,000	168 Parking	Institutional	TechTown District
2010	N'Niambi Contemporary Gallery	52 E Forest	\$4,400,000	16,000 SF	Commercial	Medical Center District
2010	Starter's Restaurant and Bar	4501 Woodward Ave.	Not Available		Commercial	North Cass District
2010	Tim Horton's	460 W. Baltimore Ave.	Not Available	900 SF	Commercial	New Center
2011	Fisher Kahn Apartments	7409 Second	\$1,700,000	32 Units	Residential/Mixed-Use	New Center
2011	Fourteen East	15 E Kirby St	Not Available	1,500 SF	Commercial	Art Center District
2011	Green Garage	4444 Second Ave.	Not Available	11,000 SF	Commercial	North Cass District
2011	Harper/Hutzel/CVI Hospitals Upgrades and Expansions	3990 John R St	\$136,390,000	175,000 SF	Medical Facilities Investment	Medical Center District
2011	Henry Ford Innovation Institute	2799 W. Grand Blvd	\$12,000,000	38,000 SF	Medical Facilities Investment	New Center
2011	MDI Co-Lab Office	3939 Woodward Ave	\$238,000	3,500 SF	Commercial	North Cass District
2011	Midtown Loop Phase I - Kirby and John R	Kirby and John R	\$1,750,000	.85 Miles	Public Infrastructure	Art Center District
2011	New Center Commons Apartments	640 & 676 Delaware	Not Available	71 Units	Residential	New Center
2011	Newberry	100 East Willis	\$5,900,000	28 Units	Residential/Mixed-Use	Medical Center District
2011	Palmer Court Townhomes Renovation	5575 Saint Antoine St.	\$4,000,000	173 Units	Residential/Mixed-Use	Art Center District
2011	Peacock Room	15 E. Kirby Ave	Not Available		Commercial	Art Center District
2011	People's Records	4100 Woodward Ave.	Not Available	450 SF	Commercial	Medical Center District
2011	PNC Renovation	4111 Woodward Ave.	Not Available	2,000 SF	Commercial	North Cass District
2011	Rehab Institute of Michigan Addition & Renovation	261 Mack Ave.	\$5,507,655	14,000 SF	Medical Facilities Investment	Medical Center District
2011	Seva	66 E. Forest	\$300,000	4,000 SF	Commercial	Medical Center District
2011	Slows to Go	4107 Cass Ave.	\$1,500,000	6,000 SF	Commercial	North Cass District
2011	Sugar Hill Walkway Phase I	52 E. Forest (east)/71 Garfield (east)	\$600,000		Public Infrastructure	Medical Center District
2011	The Luella Hannan Memorial Foundation	4750 Woodward Ave.	\$104,000		Commercial	Medical Center District
2011	Union at Midtown	4830 Cass Ave.	\$10,500,000	81 Units + 6,000 SF	Residential/Mixed-Use	Wayne State University District
2011	Wayne County Sherriff's Office	4747 Woodward Ave.	\$800,000	39,754 SF	Commercial	North Cass District
2011	Woodward Garden Block Development Phase II - New Office	3939 Woodward Ave	\$9,000,000	27,000 SF	Commercial	North Cass District
2011	WSU Law School	471 E. Palmer	\$5,700,000	10,000 SF	Institutional Campus Investment	Wayne State University District
2012	Bottomline Coffee House	4474 Third Ave.	Not Available		Commercial	North Cass District
2012	Cass Café Façade Improvement	4620 Cass Ave.	\$100,000		Commercial	Wayne State University District
2012	CHM Pediatric Specialty Center	3901 Beaubien St	\$42,788,000	83,000 SF	Medical Facilities Investment	Medical Center District
2012	DC3 Car Wash Redevelopment	3159 Woodward Ave.	\$1,500,000		Commercial	Cass Park District
2012	Detroit Historical Museum	5401 Woodward Ave.	\$12,000,000	78,000 SF	Institutional	Wayne State University District
2012	Great Lakes Coffee Roasting Company	3965 Woodward Ave.	\$565,000	1,800 SF	Commercial	North Cass District
2012	Hellenic Museum of Michigan	67 East Kirby Street	\$1,000,000	1,000 SF	Institutional	Medical Center District
2012	Kresge Detroit Office	3965 Woodward Ave.	\$307,000	2,500 SF	Commercial	North Cass District
2012	La Palma	113 E. Canfield St.	Not Available	1,600 SF	Commercial	Medical Center District
2012	Maccabees Restaurant	5057 Woodward Ave.	\$625,000	4,000 SF	Commercial	Wayne State University District
2012	Medical Center Village Upgrades	4690 St. Antoine	Not Available		Residential	Medical Center District
2012	Queen Lillian Medical Offices	3901 Chrysler Service Dr.	\$18,000,000	62,840 SF	Medical Facilities Investment	Medical Center District
2012	Second Avenue Special LED Street Lighting Project	Second Ave. to Anthony Wayne	\$510,000	0.5 Miles	Public Infrastructure	TechTown District
2012	Shinola	465 W. Milwaukee	\$2,500,000	10,000 SF	Commercial	New Center
2012	The Auburn	4258 Cass Ave.	\$12,300,000	58 Units + 8,659 SF	Residential/Mixed-Use	North Cass District
2012	The Edmund	104 Edmund	\$2,700,000	6 Units	Residential	Brush Park District
2012	Third Ave. Two Way Traffic Conversion with Bike Lanes	Between Warren and Temple/3rd to Cass	\$322,000	1.42 Miles	Public Infrastructure	Cass Park District
2012	WSU Energy Efficiency Upgrades	General WSU Campus	\$3,200,000		Public Infrastructure	Wayne State University District
2012	Yoga Shelter Midtown Detroit	69 W. Forest Avenue	\$200,000	2,200 SF	Commercial	North Cass District
2013	437 W. Forest	437 W. Forest	Not Available		Residential	North Cass District
2013	Adnan Charara Studio	4130 Cass	\$700,000	7,200 SF	Commercial	North Cass District
2013	Bikram Yoga Midtown	55 W. Canfield	\$1,000,000	3,000 SF	Commercial	North Cass District
2013	Birchmont	93 Seward	Not Available	31 Units	Residential	New Center District
2013	Cornerstone Estates	3200 Lodge Service Dr.	\$46,200,000	180 Units	Residential	Cass Park District
2013	Coronado Apartments	3751-53 Second Ave.	\$5,200,000	24 Units	Residential	Cass Park District
2013	Detroit Receiving Hospital w/Prep & recovery		\$8,376,469	9,300 SF	Medical Facilities Investment	Medical Center District
2013	Ferry Street Landscape Plan	110 E. Ferry	\$50,000		Residential	Art Center District
2013	Great Expressions	3670 Woodward Ave.	Not Available	2,400 SF	Commercial	Medical Center District
2013	HUH Emergency Dept. Expansion		\$9,919,141	20,500 SF	Medical Facilities Investment	Medical Center District
2013	La Feria	4130 Cass Ave.	\$600,000	1,000 SF	Commercial	North Cass District
2013	La Hooka Town / Indian Palace	4445 Second Ave.	Not Available	1,500 SF	Commercial	North Cass District
2013	Midtown Loop Phase II - Canfield & John R	Canfield and John R	\$2,300,000	.72 Miles	Public Infrastructure	Medical Center District
2013	New Center Square	112 Seward	Not Available	49 Units	Residential	New Center District
2013	Resendes Design Group	7451 Third Ave.	Not Available		Commercial	New Center District
2013	Run Detroit	441 W. Canfield	Not Available	1,350 SF	Commercial	North Cass District
2013	Second Ave. Conversion, with Bike Lanes	Kirby to W. Grand	\$446,000	.86 Miles	Public Infrastructure	TechTown District
2013	Sherbrooke Apartments	615 W. Hancock	\$3,260,265	14 Units	Residential	North Cass District
2013	Sophia's Giftique	3031 W. Grand Blvd.	Not Available		Commercial	New Center
2013	Stella Good Coffee (Expansion)	3011 W. Grand Blvd.	Not Available		Commercial	New Center
2013	Third Street Bar/Kitchen Upgrades	4626 Third Ave.	Not Available		Commercial	North Cass District
2013	Thrift on the Avenue (TOTA)	4130 Cass	\$25,000	900 SF	Commercial	North Cass District
2013	Turquoise Boutique	3711 Woodward	\$30,000	800 SF	Commercial	North Cass District
2013	Uhaul	899 W. Baltimore	Not Available	283,000 SF	Commercial	New Center District
2013	Union Street Patio	4145 Woodward	\$50,000		Public Infrastructure	North Cass District



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Year	Project	Address	Amount	Units/SF/Parking	Use	Area
2013	Virginia Park		\$30,000	.4 Acres	Public Infrastructure	New Center District
2013	Virginia Park St.		Not Available		Residential	New Center
2013	Whole Foods Market	159 Mack Ave.	\$37,000,000	21,000 SF	Commercial	Medical Center District
2013	Woodward Garden Block Development Phase III - Theater	3931 Woodward Ave	\$12,300,000	32,505 SF	Commercial	North Cass District
2014	AYV	4100 Woodward Ave.	\$10,000	463 SF	Commercial	Medical Center District
2014	Bike Rack Installations	Throughout Midtown/New Center	\$25,000		Public Infrastructure	All Throughout Midtown
2014	Black Dress Shop, The (Expansion)	87 E. Canfield	Not Available		Commercial	Medical Center District
2014	Boulevard West Building Upgrades	2990 W. Grand Blvd.	\$400,000		Commercial	New Center
2014	Cass Plaza	3550 Cass / 149 Davenport	\$16,000,000	47 Units	Residential + 1 Small Commercial Space	North Cass District
2014	Cathedral Towers Upgrades	80 E. Hancock	\$680,000	150 Units/Building Upgrades	Residential	Medical Center District
2014	Checkers	4662 Woodward	Not Available	2,000 SF	Commercial	Medical Center District
2014	Detroit Receiving Hospital Patient Care Renovations		\$20,673,345	53,000 SF	Medical Facilities Investment	Medical Center District
2014	DMC Heart Hospital/HUH Outpatient Specialty Bldg.	Mack/St. Antoine	\$77,572,560	215,000 SF	Medical Facilities Investment	Medical Center District
2014	DMC South Campus Parking Structure	Mack	\$34,228,712	1,700 Parking	Medical Facilities Investment	Medical Center District
2014	Dog Park	SE Corner of Cass/Canfield	\$125,000	.2 Acres & 2.65 Acres	Public Infrastructure	North Cass District/Arts Center District
2014	Edmund Place	291 Edmund	Not Available	12 Units	Residential	Brush Park District
2014	Frida	15 E. Kirby	\$30,000	600 SF	Commercial	Art Center District
2014	Green Alleys	Willis, Alexandrine & Selden	\$1,400,000		Public Infrastructure	North Cass District
2014	Honest John's Renovation	488 Selden	\$50,000		Commercial	North Cass District
2014	HopCat (Former Agave Building)	4265 Woodward Ave.	\$4,500,000	11,000 SF	Commercial	North Cass District
2014	HR Block	4501 Woodward Ave.	Not Available	1,000 SF	Commercial	North Cass District
2014	Midtown Loop: Phase IV - Mack, Brush, Wilkins	Various Streets	\$5,000,000	1.17 Miles	Public Infrastructure	Brush Park District
2014	Northern Lights Lounge Patio	660 W. Baltimore	\$60,000		Commercial	New Center District
2014	Rebuild Nation	2990 W. Grand Blvd. #408	\$200,000	3,000 SF	Commercial	New Center District
2014	Second Ave. Two Way Traffic Conversion with Bike Lanes	Warren to Temple	\$250,000	1.08 Miles	Public Infrastructure	North Cass District
2014	Selden Standard	3921/29 Second	\$2,000,000	6,000 SF	Commercial	North Cass District
2014	Shinola Expansion	465 W. Milwaukee	Not Available		Commercial	New Center District
2014	Sugar Hill Walkway Phase II	52 E. Forest (west)	\$150,000		Public Infrastructure	Medical Center District
2014	TechTown Junction 440	440 Burroughs	\$1,500,000	20,000 SF	Commercial	TechTown District
2014	TechTown Plaza	440 Burroughs	\$1,000,000		Public Infrastructure	TechTown District
2014	The Brentwood Apartments	487 Prentis Street	\$1,200,000	38 Units	Residential	North Cass District
2014	The Zenith	3011 W. Grand Blvd.	Not Available	10,000 SF	Commercial	New Center District
2014	UM Michigan Architecture Studio	3901 Woodward Ave	\$350,000	3,700 SF	Institutional	North Cass District
2014	Willis Commercial Build-out	441 W. Canfield	\$2,000,000		Commercial	North Cass District
2014	Woodward Garden Block Development Phase IV - Mixed Use	3909 Woodward	\$14,000,000	61 Units + 11,500 SF	Residential/Mixed-Use	North Cass District
2014	Workshop	3011 W. Grand Blvd.	\$50,000	2,000 SF	Commercial	New Center District
2014	WSU Physicians - Group Building & Deck	3750 Woodward Ave.	\$60,000,000	125,000 SF + 1,000 Spaces	Mixed-Use	Medical Center District
2014	Zefs	4160 Woodward	Not Available	2,700 SF	Commercial	Medical Center District
2015	Café 78	4454 Woodward Ave.	\$100,000	4,800 SF	Commercial	Medical Center District
2015	Café Con Leche	2990 W. Grand Blvd.	\$60,000	2,500 SF	Commercial	New Center
2015	Carhartt	5800 Cass Ave.	\$2,000,000	51,000 SF	Commercial	North Cass District
2015	Cass, Second & Third Viaducts	Cass/Second @ Amtrak	\$400,000		Public Infrastructure	TechTown District
2015	CCS Dorm Upgrades	485 W Milwaukee Ave.	\$3,500,000		Institutional	New Center
2015	Detroit Bikes/The Peterboro/8 Degrees Plato/XS Tattoo	3401 Cass Ave.	\$2,000,000	9,000 SF	Commercial	South Cass District
2015	DIA Exterior & Interior Investment	5200 Woodward Ave.	\$2,900,000		Institutional	Art Center District
2015	Jolly Pumkin	441 Canfield St.	\$1,500,000	5,000 SF	Commercial	North Cass District
2015	Kirby Lofts	609 E. Kirby	\$6,900,000	26 Units	Residential	Art Center District
2015	La Palma Expansion	113 E. Canfield St.	\$500,000	3,000 SF	Commercial	Medical Center District
2015	Midtown Business Center	7650 Second	\$1,000,000	22,000 SF	Commercial	New Center
2015	Midtown Interior Finishes	4240 Cass	\$50,000	1,000 SF	Commercial	North Cass District
2015	Midtown Loop: Phase III - Cass	Cass	\$4,500,000	Midtown Loop: 0.5 Miles/Bike Path: 3.7 Miles	Public Infrastructure	Wayne State University District
2015	Rainer Court	711 W. Alexandrine	\$6,400,000	36 Units	Residential	North Cass District
2015	Redmond Park Rehab	Second/Selden	\$400,000	.3 Acres	Public Infrastructure	North Cass District
2015	Ronald McDonald House	4707 St. Antoine	\$4,300,000	26,000 SF	Institutional	Medical Center District
2015	Sprinkler Building, The	684 W. Baltimore	\$500,000		Commercial	New Center
2015	St Antoine Gardens Upgrades	5203 Chrysler Dr.	\$14,300,000	146 Units	Residential	Art Center District
2015	The El Moore	624 W. Alexandrine	\$3,900,000	12 Units + 11 Lodging Units + 1,000 SF	Mixed-Use	North Cass District
2015	Third Street Aquatic Center	4219 Third Ave.	\$100,000	1,000 SF	Commercial	North Cass District
2015	Verona Interior & Exterior Upgrades	92 W. Ferry	\$1,000,000	Interior/Exterior Improvements	Residential	Wayne State University District
2015	Victorian Restoration	3980 Second Ave.	\$740,000	1,500 SF	Mixed-Use	North Cass District
2015	West Grand Medians	W. Grand	\$450,000		Public Infrastructure	New Center District
2015	Will Leather	4120 Cass Ave.	\$2,000,000	8,000 SF	Commercial	North Cass District
2015	Woodward Willis Mixed-Use Project	4209 Woodward Ave.	\$6,800,000	29,000 SF	Mixed-Use	North Cass District
2015	WSU Student Center	5221 Gullen Mall	\$26,500,000	100,000 SF	Institutional Campus Investment	Wayne State University District
2015	WSU's Integrative Biosciences Center (Ibio)	6111 Woodward Ave	\$93,000,000	197,000 SF	Educational Facilities Investment	TechTown District
2015	Palmer Townhomes	Palmer/John R	Not Available	11 Townhomes	Residential	Art Center District
2015	Third Man Records	441 W. Canfield	Not Available	10,000 SF	Commercial/Light Manufacturing	North Cass District
2016	1701 Bespoke	4160 Woodward	\$50,000		Commercial	Medical Center District
2016	Bicentennial Tower Upgrades	4 E. Alexandrine	\$6,000,000	60 + 6,000 SF	Residential	Medical Center District
2016	Mac n' Brewz	4870 Cass	\$500,000	3,000 SF	Commercial	Wayne State University District
2016	DMC Midtown Marketplace	3990 John R.	\$8,200,000	15000	Commercial	Medical Center District
Planned	207 E Baltimore	207 E. Baltimore	\$1,800,000	12 Units	Residential	Techtown District
Planned	284 Eliot	284 Eliot	Not Available	4 Units	Residential	Brush Park District
Planned	3rd/4th Street Eco-District Predevelopment	3rd/4th Street	\$500,000	17 Homes	Residential	North Cass District
Planned	438 Selden	438 Selden	\$10,000,000	36 Units	Residential	North Cass District
Planned	449 W. Willis	449 W. Willis	\$729,000	6 Units	Residential	North Cass District



Midtown Detroit, Inc.
Investment Report 2006-2016

Year	Project	Address	Amount	Units/SF/Parking	Use	Area
Planned	524 E. Kirby	524 E. Kirby	Not Available	4 Units	Residential	Art Center District
Planned	74 Garfield	74 Garfield	\$9,087,288	60 Units	Residential	Medical Center District
Planned	Architects Building	415 Brainard	\$2,375,150		Residential	North Cass District
Planned	Avalon Expansion	441 W. Canfield	\$350,000		Commercial	North Cass District
Planned	Baltimore Station Apartments	6402 Woodward	\$13,000,000	56 Units	Mixed-Use	New Center
Planned	Billinghurst, The	69 W. Willis	\$5,064,000	34 Units + 5,000 SF	Residential	North Cass District
Planned	Brush Park Redevelopment (Bedrock)	4 Block Area in Brush Park	\$70,000,000	337 Units	Residential	Brush Park District
Planned	Century, The	3962 Second	\$3,361,000	22 Units	Residential	North Cass District
Planned	Charlotte Apartments	644 Charlotte	\$6,880,000	27 Units	Residential	Cass Park District
Planned	CHM Patient Tower/Carl's Backfill		\$174,371,000	175,000 SF	Medical Facilities Investment	Medical Center District
Planned	Community Builders	Near HFHS	Not Available	60 Units	Residential	New Center District
Planned	Crystal Loft Restaurant	3100 Woodward Ave.	\$500,000		Commercial	Brush Park District
Planned	Danish Brotherhood	1775 W. Forest	\$1,100,000	5 Units + 2,400 SF	Mixed-Use	Woodbridge District
Planned	Detroit Wayne Mental Health Authority	707 W. Milwaukee	\$6,500,000	72,000 SF	Institutional	New Center
Planned	Eddystone	100/118 Sproat	Not Available	80 Units	Residential	Cass Park District
Planned	Ferry Street Home Renovation	110 E. Ferry	\$1,700,000	4 Units	Residential	Art Center District
Planned	Henry Ford Hospital Future Investment Plan	2800 W Grand Blvd	\$500,000,000	300 Acres	Medical Facilities Investment/Mixed Use	Medical Center District
Planned	McLaughlin Hall	3740 John R.	Not Available	80 Units	Residential	Medical Center District
Planned	MDOT Site	NE Corner of Cass/Amsterdam	Not Available		Mixed-Use & Transportation	TechTown District
Planned	Mosaic Building	7441 Second Ave.	\$5,651,000	33 Units	Residential	New Center District
Planned	Mt. Vernon	677 W. Alexandrine	\$3,519,685		Residential	North Cass District
Planned	Patterson Terrace	203/209/215 Erskine	\$1,800,000	7 Units	Residential	Brush Park District
Planned	Scott Mansion	81 Peterboro	\$7,000,000	25 Units	Residential	South Cass
Planned	Sugar Hill Church	92 E. Forest	\$5,000,000	7,500 SF	Commercial	Medical Center District
Planned	Sugar Hill Parking Deck	NW Corner Garfield/John R	\$6,500,000	213 Parking	Public Infrastructure	Medical Center District
Planned	The Plaza	3800 Woodward	\$21,100,000	72 Units + 3,000 SF	Mixed-Use	Medical Center District
Planned	Treymore Apartments	457 Brainard	\$5,900,000	28 Units	Residential	Cass Park District
Planned	Wayne State University Hilberry Gateway Project	4743 Cass	\$48,600,000		Institutional Campus Investment	Wayne State University District
Planned	Woodward Shops	Woodward Ave/W. Grand Blvd.	Not Available	20 Units + 60,000 SF	Mixed-Use	New Center District
Planned	Woodward/Stimson	Woodward/Stimson	\$28,000,000	68 Units + 15,000 SF	Mixed-Use	Cass Park District
Planned	WSU Cass/Canfield	NW Corner Cass/Canfield	\$60,000,000	248 Units + 19,000 SF + 120 Lodging Units	Mixed-Use	North Cass District
Planned	Urban Consulate Exterior Improvements	4470 Second	\$20,000		Commercial	North Cass District
Planned	Third/Grand Mixed Use Development	Third/Grand	\$52,000,000	231 Units + 20,000 SF	Mixed-Use	New Center
Planned	Mosaic Church	Alexandrine	\$2,500,000			
Planned	4759 Trumbull	4759 Trumbull	Not Available	3 Units	Residential	Woodbridge District
Planned	Henry Ford Cancer Center	Henry Ford Redevelopment Site	\$110,000,000	144,000 SF	Medical Facilities	New Center
Under Construction	Forest Arms	4625 Second Ave.	\$12,000,000	81 Units + 2,000 SF	Residential/Mixed-Use	North Cass District
Under Construction	445 W. Forest	445 W. Forest	\$1,000,000	6 Units	Residential	North Cass District
Under Construction	457 E. Kirby Building	457 E. Kirby	\$1,161,000	30 Units	Residential	Art Center District
Under Construction	5734 Woodward	5734 Woodward	\$1,655,000	2 Units + 2,400 SF	Mixed-Use	Art Center District
Under Construction	Casamira Apartments	680 Delaware	\$8,579,808	44 Units	Residential	New Center
Under Construction	Nallah Commons	701 E. Kirby	\$10,100,000	58 Units	Residential	Art Center District
Under Construction	H.R. Finn Apartments	678 Selden	\$3,700,000	30 Units	Residential	North Cass District
Under Construction	M-1 Rail	Woodward	\$140,000,000	3.3 Miles	Public Infrastructure	All Throughout Midtown
Under Construction	Olympia Sports and Entertainment District	Woodward/I-75	\$650,000,000	785,000 SF Arena + Mixed-Use Development	Mixed-Use	South Cass
Under Construction	St. Regis Apts.	3071 W. Grand Blvd.	\$3,641,000	58 Units + 5,000 SF	Mixed-Use	New Center District
Under Construction	Strathmore	70 W. Alexandrine	\$28,000,000	129 Units + 2,000 SF	Residential/Mixed-Use	North Cass District
Under Construction	The Scott	Erskine & John R.	\$61,300,000	199 Units + 14,000 SF + 300 Parking	Mixed-Use	Brush Park District
Under Construction	Ransom Gilbert House	Alfred St.	Not Available	2 Units	Residential	Brush Park District
		Total Investment	\$4,271,374,078			

THE SUGAR HILL ARTS DISTRICT RFP



Attachment C

HUD Section 108

Offering Circular

OFFERING CIRCULAR

\$391,805,000

U.S. Department of Housing and Urban Development
Section 108 Government Guaranteed Participation Certificates, Series HUD 2015-A,
Guaranteed by the Secretary of Housing and Urban Development

- The certificates represent fractional undivided interests in a portion of a trust sponsored by the Secretary of Housing and Urban Development or his authorized designee. The assets of the Trust will consist of Notes issued by units of general local government or their designated local public agencies, and a guarantee issued by the Secretary of Housing and Urban Development pursuant to which the Secretary will guarantee the timely payment of principal and interest due on these Notes.
- The Secretary of Housing and Urban Development will also guarantee the timely pass-through distribution of interest and principal on the certificates.
- Distributions of interest will be made by the trustee to the certificateholders on each February 1 and August 1, or the next Business Day if such day is not a business day, commencing August 1, 2015. Interest will accrue on the certificates at the rates specified in the table below.
- Distributions of principal in respect of any certificate will be made by the trustee no later than the related maturity date for such certificate set forth in the table below. Principal distributions in respect of certificates that have a maturity date before August 1, 2025 are not subject to prepayment. Certificates having maturity dates on or after August 1, 2025 are subject to principal prepayments if there is a prepayment on a related Note or if the Secretary accelerates a related Note because there has been a default as described herein. See “Description of Notes — Optional Redemption and Acceleration” herein.

The full faith and credit of the United States is pledged to honor the note guarantee and the certificate guarantee. See “Full Faith and Credit Guarantee” herein.

The certificates are exempt from the registration requirements of the Securities Act of 1933, so no registration statement related to the certificates has been filed with the Securities and Exchange Commission. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this offering circular. Any representation to the contrary is a criminal offense.

<u>Amount</u>	<u>Maturity Date⁽¹⁾</u>	<u>Interest Rate</u>	<u>Price to Public⁽²⁾</u>	<u>CUSIP Number</u>	<u>Amount</u>	<u>Maturity Date⁽¹⁾</u>	<u>Interest Rate</u>	<u>Price to Public⁽²⁾</u>	<u>CUSIP Number</u>
\$22,694,000	August 1, 2015	0.28%	100.00%	911759 LW6	\$10,545,000	August 1, 2025	2.95%	100.00%	911759 MG0
\$26,173,000	August 1, 2016	0.83%	100.00%	911759 LX4	\$10,432,000	August 1, 2026	3.10%	100.00%	911759 MH8
\$29,047,000	August 1, 2017	0.93%	100.00%	911759 LY2	\$15,332,000	August 1, 2027	3.15%	100.00%	911759 MJ4
\$31,356,000	August 1, 2018	1.33%	100.00%	911759 LZ9	\$10,212,000	August 1, 2028	3.25%	100.00%	911759 MK1
\$33,587,000	August 1, 2019	1.88%	100.00%	911759 MA3	\$10,741,000	August 1, 2029	3.35%	100.00%	911759 ML9
\$33,511,000	August 1, 2020	1.98%	100.00%	911759 MB1	\$14,614,000	August 1, 2030	3.50%	100.00%	911759 MM7
\$50,598,000	August 1, 2021	2.35%	100.00%	911759 MC9	\$ 6,675,000	August 1, 2031	3.55%	100.00%	911759 MN5
\$34,733,000	August 1, 2022	2.45%	100.00%	911759 MD7	\$ 6,354,000	August 1, 2032	3.60%	100.00%	911759 MP0
\$19,900,000	August 1, 2023	2.80%	100.00%	911759 ME5	\$ 5,466,000	August 1, 2033	3.65%	100.00%	911759 MQ8
\$18,537,000	August 1, 2024	2.85%	100.00%	911759 MF2	\$ 1,298,000	August 1, 2034	3.70%	100.00%	911759 MR6

(1) *Principal amounts due on or after August 1, 2025 are subject to prepayment as described herein. Distributions with respect to any prepayment or acceleration will occur no earlier than August 1, 2024. See “Description of Notes—Optional Redemption and Acceleration” herein.*

(2) *Plus accrued interest, if any, from the Closing Date.*

We expect that the certificates will be ready for delivery in book-entry form only through The Depository Trust Company, on or about May 28, 2015.

Credit Suisse

BofA Merrill Lynch

The date of this Offering Circular is May 18, 2015.

OFFERING CIRCULAR SUMMARY

The following summary is qualified in its entirety by more detailed information appearing elsewhere in this Offering Circular.

- Sponsor** The Secretary of Housing and Urban Development (“HUD”), acting through an authorized designee, as sponsor of a trust on behalf of the borrowers, through the trustee.
- The Certificates** The U.S. Department of Housing and Urban Development Section 108 Government Guaranteed Participation Certificates, Series HUD 2015-A, guaranteed by the Secretary of HUD.
- Full Faith and Credit**
- Guarantee** Pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended (the “HCD Act”), 42 U.S.C. § 5308, the Secretary of HUD will guarantee the timely payment of principal and interest due on the Notes and the timely pass-through of principal and interest to the certificateholders. The full faith and credit of the United States is pledged to honor such guarantees.
- The Notes** The notes and other similar obligations (the “Notes”) have been issued by certain units of general local government or local public agencies designated by such local governmental units. The Notes provide for the semiannual payment of interest by borrowers seven business days prior to each related interest due date, commencing July 23, 2015. The Notes provide for the payment by borrowers of principal seven business days prior to the related principal due date, subject to any optional redemptions or acceleration payments as described herein. See “Description of Notes.”
- The Borrowers** The borrowers are units of general local government or local public agencies designated by such units of general local government that have issued Notes in conjunction with the Community Development Block Grant Program and pursuant to Section 108 of the HCD Act. See “Description of the Section 108 Loan Guarantee Program.”
- Amount of Offering** \$391,805,000
- Closing Date** On or about May 28, 2015.
- Distributions of Interest** Interest on any certificate will accrue on the outstanding principal amount thereof from the Closing Date at the per annum rates set forth on the cover page hereof. Distributions of interest will occur on each February 1 and August 1, unless such day is not a business day, in which case, payment shall be made on the next business day, commencing August 1, 2015. Interest will be calculated on the basis of a year of 360 days, consisting of twelve 30-day months.
- Distributions of Principal** Distributions of principal in respect of any certificate will be made on the applicable maturity date for such certificate based on principal amounts due on the related Notes on the related principal due date, subject to any payments in respect of optional redemptions or acceleration payments. If any principal due date or maturity date is not a business day, distributions of principal in respect of any certificate will be made on the next business day.

Any principal amount due on a Note on or after August 1, 2025 may be prepaid by the related borrower, in whole or in part, as of any interest due date on or after August 1, 2024, and will be distributed to the certificateholders entitled thereto on the corresponding distribution date. Payments made in respect of such optional redemptions will be applied to outstanding principal amounts of the related Note in accordance with instructions of the related borrower as approved by HUD. See “Description of Notes — Optional Redemption and Acceleration.”

An acceleration event with respect to any Note may occur on any note payment date on or after August 1, 2024. If the Secretary of HUD elects an acceleration, he will make an acceleration payment of 100% of the related aggregate principal amount of such Note, together with accrued and unpaid interest thereon to the interest due date next following such acceleration event. Such amount will be paid to the trustee and be distributed to the certificateholders entitled thereto on the distribution date corresponding to such interest due date.

As a result of payments in respect of optional redemptions and acceleration payments, the final distributions of principal in respect of certificates that have maturity dates on or after August 1, 2025 may occur as early as August 1, 2024.

See “Description of Notes — Optional Redemption and Acceleration.”

The anticipated frequency and amount of payments of principal in respect of optional redemptions and acceleration payments cannot be predicted and will be influenced by a variety of factors. In the event of any such payments of principal in respect of optional redemptions or acceleration payments on the Notes, there can be no assurance that the certificateholders of the related certificates will be able to reinvest the distributions of principal in respect thereof in comparably yielding securities. See “Description of Notes — Optional Redemption and Acceleration.”

Trustee The Bank of New York Mellon (“BNY Mellon”) will act as trustee under a trust agreement, dated as of January 1, 1995, as amended, and a supplement to the trust agreement, dated as of May 28, 2015.

Denominations Each certificate will be registered in the book-entry system of The Depository Trust Company, and beneficial interests therein will be held by investors in minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof (except for no more than one beneficial interest in each certificate representing the remainder of such certificate).

Tax Status For federal income tax purposes, each certificateholder will be treated as the owner of an undivided pro rata interest in particular payments on particular Notes. Ownership of the certificates will be treated as ownership of “government securities” and “obligations of the United States” for purposes of certain provisions of the federal income tax laws. See “Tax Status.”

Legality of Investment Under federal law, the certificates are acceptable for purchase by and as security for advances to member banks of the Federal Reserve System. Additionally, the certificates are eligible as security for the deposit of public moneys of the United States and as collateral for Treasury Tax and Loan Accounts.

Purchases by Employee Benefit Plans — ERISA

Considerations The acquisition of a certificate by an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended and a plan or arrangement described in Section 4975 of the Internal Revenue Code of 1986 could, in some instances, result in a prohibited transaction or other violation of the fiduciary responsibility provisions of such laws. See “Purchases by Employee Benefit Plans — ERISA Considerations.”

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with a purchase of Certificates. Capitalized terms used in this section have the meanings ascribed to them elsewhere in this Offering Circular.

Certificates have limited liquidity and market disruption may adversely affect the value of the Certificates

As described in this Offering Circular, guaranteed trust certificates under the Section 108 Loan Guarantee program were offered annually or biennially from 1995 through 2011, when the last guaranteed trust certificates were offered, and have historically had a limited secondary market. There is currently a limited secondary market for the Certificates. If a secondary market does develop for the Certificates, market prices may be below or substantially below the principal amounts of such Certificates. In addition, if a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow Certificateholders to resell Certificates at any time. Consequently, Certificateholders may not be able to sell Certificates readily or at prices that will enable Certificateholders to realize a desired yield. In addition, the lack of a defined secondary market may make it difficult to determine the fair value of Certificates even if a Certificateholder does not intend to sell. The market values of the Certificates are likely to fluctuate. Any of these fluctuations may be significant and could result in losses to Certificateholders desiring to sell in the secondary market.

Illiquidity can have an adverse effect on the prices of securities, including the Certificates, that are especially sensitive to prepayment or interest rate risk.

The rate of prepayment on the Notes is uncertain and may adversely affect the average life of and yield on the Certificates

The anticipated frequency and amount of principal prepayments on the Notes cannot be predicted and may be influenced by a variety of factors. Any prepayment can impact the yield on the Certificates.

As described in this Offering Circular, the Notes are subject to prepayment in respect of Optional Redemptions or Acceleration Payments.

- Each Note is subject to Optional Redemption, in whole or in part, without penalty or premium, at the option of a Borrower as of any Interest Due Date on or after August 1, 2024, at a prepayment price of 100% of the principal amount due on the Note. See “Description of Notes—Optional Redemption and Acceleration.”
- Upon a Borrower default, pursuant to the Note Guarantee, the Secretary will make timely payments of principal and interest on the Notes. On or after August 1, 2024, an Acceleration Payment with respect to a Note may, but is not required to, be made by the Secretary if the related Borrower is in default under the related Note and Contract for Loan Guarantee Assistance. If the Secretary elects to make an Acceleration Payment, such payment will equal the entire unpaid principal amount of a Note, together with interest accrued and unpaid to the related Interest Due Date. See “Description of Notes—Optional Redemption and Acceleration.”

Economic, financial and regulatory conditions are unpredictable and influence the timing and number of accelerations and prepayments. Therefore, the anticipated rate and amount of prepayments of principal, if any, to the Certificateholders in respect of Optional Redemption or Acceleration Payments cannot be determined. The amount of Optional Redemptions may be influenced by a variety of economic factors, including a decrease in interest rates, which may make the prepayment of a Note attractive to a Borrower. Acceleration Payments may result upon the occurrence of a Borrower being in default of its payment obligations, or for a reason specified in the related Note and Contract for Loan Guarantee Assistance. The rate at which Borrower defaults are experienced may be influenced by a variety of factors, including but not limited to the weakening of local economic conditions, increased project development costs and various other issues related to public entities and state-assisted public entities.

INTRODUCTION

This Offering Circular provides certain information relating to the offering of \$391,805,000 aggregate principal amount of U.S. Department of Housing and Urban Development, Section 108 Government Guaranteed Participation Certificates, Series HUD 2015-A (the “Certificates”). The Certificates are guaranteed as to timely pass-through distribution of interest and principal (the “Certificate Guarantee”) by the Secretary of Housing and Urban Development or his authorized designee (the “Secretary”) pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended.

The Certificates represent the fourteenth underwritten offering of guaranteed trust certificates under the Section 108 Loan Guarantee program. The initial issue comprised \$245,785,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on February 1, 1995. The second issue comprised \$322,195,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 5, 1996. The third issue comprised \$283,320,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on October 28, 1997. The fourth issue comprised \$614,595,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on April 28, 1999. The fifth issue comprised \$355,415,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 14, 2000. The sixth issue comprised \$313,756,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 9, 2001. The seventh issue comprised \$281,319,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 8, 2002. The eighth issue comprised \$340,280,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 7, 2003. The ninth issue comprised \$283,451,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 30, 2004. The tenth issue comprised \$324,129,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on September 14, 2006. The eleventh issue comprised \$492,051,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 12, 2008. The twelfth issue comprised \$366,912,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on July 21, 2010. The thirteenth issue comprised \$331,561,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on November 17, 2011. The Certificates are being issued pursuant to Public Law 103-233, enacted on April 11, 1994, which amends Section 108 to allow the Secretary to guarantee the timely payment of the principal and interest on trust certificates backed by a trust composed of notes guaranteed or eligible for guarantee by the Secretary.

HUD currently anticipates the offering, on an annual or more frequent basis, of additional guaranteed certificates backed by notes or other obligations issued by units of general local government or public agencies designated by such units of general local government. However, HUD’s plans with respect to future offerings under the Section 108 Loan Guarantee Program (as defined below) are subject to change due to such factors as the level of demand for funds by local governments, statutory amendments, market conditions, and changes in HUD policy.

The statements herein with respect to the Certificates and related documents are subject to the detailed provisions of such Certificates and related documents, and the statements made herein are qualified in their entirety by reference thereto. Copies of these documents are available at the Trustee’s Corporate Trust Office (as defined below).

DESCRIPTION OF CERTIFICATES

Each Certificate offered hereby represents a fractional undivided interest in a portion of a trust (the “Trust”) sponsored by the Secretary and administered by the Trustee pursuant to the Trust Agreement and related Supplement (each, as defined below). The assets of the Trust will consist of Notes issued by the Borrowers and a guarantee issued by the Secretary pursuant to which the Secretary will guarantee the timely payment of principal and interest due on the Notes (the “Note Guarantee,” together with the Certificate Guarantee, the “Guarantee”).

The aggregate principal amount of Notes for each Principal Due Date (as defined below) will be represented by a single Certificate with a corresponding Maturity Date (as defined below) and will be registered in the name of the nominee of The Depository Trust Company (the “DTC”), and beneficial ownership interests therein will be held by investors through the book-entry facilities of DTC in minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof (except for no more than one beneficial interest in each Certificate representing the remainder of such Certificate).

Each Certificate will have a maturity date (each, a “Maturity Date”) and an original principal amount, and will bear interest at the per annum rate set forth on the cover page hereof. Distributions in respect of interest on each Certificate will be made on each February 1 and August 1 (each a “Distribution Date”) in an amount equal to the interest accrued on the outstanding principal amount of such Certificate from and including the immediately preceding Distribution Date or, in the case of the first Distribution Date, from and including the Closing Date, to but excluding the related Distribution Date at the applicable interest rate. If any such Distribution Date is not a Business Day (as defined below), distributions in respect of interest and principal will be made on the next succeeding Business Day. The first Distribution Date for the Certificates will be August 1, 2015. Distributions in respect of principal will be made on each Distribution Date based on receipt of the principal amounts due on the Notes as of the Principal Due Date (as defined below) corresponding to the Maturity Date for such Certificate except as provided in the following paragraph. A “Business Day” shall be a day on which banking institutions in New York City are not required or authorized to be closed and on which the Federal Reserve Bank and the New York Stock Exchange are not closed.

With respect to Certificates having Maturity Dates on or after August 1, 2025, principal distributions may occur earlier than such Maturity Dates as a result of the prepayment of principal of the related Notes by the Borrower in accordance with the provisions thereof (an “Optional Redemption”) or as a result of the occurrence of a default by a Borrower and the election by the Secretary to accelerate the Note to which the default relates (an “Acceleration Event”). The payment made by the Secretary as a result of an Acceleration Event is referred to herein as an “Acceleration Payment.” See “Description of Notes — Optional Redemption and Acceleration.”

Since principal amounts due on certain Notes are subject to payments in respect of Optional Redemptions or Acceleration Payments, final distributions in respect of the Certificates may occur earlier than the related Maturity Dates but no earlier than August 1, 2024. See “Description of Notes — Optional Redemption and Acceleration.” The Trustee will provide at least thirty days’ notice to Certificateholders of any Optional Redemption expected to occur.

The anticipated frequency and amount of principal payments in respect of Optional Redemptions and Acceleration Payments on the Notes cannot be predicted and will be influenced by a variety of factors. In the event of any such principal payments, there can be no assurance that a holder of Certificates (a “Certificateholder”) entitled to distributions of principal in respect thereof will be able to reinvest such distributions in comparably yielding securities. See “Risk Factors — The rate of prepayment on the Notes is uncertain and may adversely affect the average life of and yield on the Certificates.”

Book-Entry Only Registration of the Certificates

The Certificates will initially be issued in book-entry form and be registered as a single certificate for each Maturity Date in the name of Cede & Co. (“Cede”), as nominee of DTC. As used in this Offering Circular, Certificateholders are persons in whose name a Certificate is registered in the register maintained by the Trustee. For so long as the Certificates are in book-entry form with DTC, the only “Certificateholder” of the Certificates as the term “Certificateholder” is used in the Trust Agreement will be Cede. No person acquiring an interest in the Certificates will be entitled to receive a definitive certificate representing such person’s interest in the Trust (“Definitive Certificates”), except in the event that Definitive Certificates are issued under the limited circumstances set forth below. Unless Definitive Certificates are issued, all references herein to Certificateholders shall mean and include the rights of beneficial owners of Certificates, as such rights may be exercised through DTC and its participating organizations.

Under a book-entry format, as long as the only Certificateholder is Cede, the beneficial holders of Certificates will not be recognized by the Trustee as Certificateholders under the Trust Agreement. The beneficial holders of such Certificates will be permitted to exercise the rights of Certificateholders under the Trust Agreement only indirectly through DTC and its Participants (as defined below), who in turn will exercise their rights through DTC.

Definitive Certificates will be issued in registered form to Certificateholders, or their nominees, rather than to DTC, only if (i) DTC or the Sponsor advises the Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as nominee and depository with respect to the Certificates and the Sponsor is unable to locate a qualified successor, or (ii) the beneficial owners of the Certificates representing not less than 51% of the aggregate original principal balance of the book-entry Certificates advise the Trustee and DTC that the book-entry system is no longer in the best interests of such beneficial owners. Upon issuance of Definitive Certificates to Certificateholders, such Certificates will be transferable directly (and not exclusively on a book-entry basis) and registered holders will deal directly with the Trustee with respect to transfers, notices and distributions.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities for its participating organizations (“Participants”) and facilitate the clearance and settlement of securities transactions between Participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system also is available to others such as brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participant”).

Under a book-entry format, Certificateholders that are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of Certificates registered in the name of Cede, as nominee of DTC, may do so only through Participants and Indirect Participants. Such Certificateholders will receive all distributions of principal of and interest on the Certificates from the Trustee through DTC and its Participants. Under a book-entry format, Certificateholders may receive distributions after the related Distribution Date because, while distributions are required to be forwarded to Cede, as nominee for DTC, on each such date, DTC will forward such distributions to its Participants, which thereafter will be required to forward them to Indirect Participants or Certificateholders. For so long as DTC shall be the only registered Certificateholder, the Certificateholder shall be paid by wire transfer for the account of such person in immediately available funds to a commercial bank located in the continental United States having appropriate facilities therefor upon written request received by the Trustee on or before the Record Date, as defined herein, prior to the applicable Distribution Date. If DTC shall no longer be the only registered Certificateholder, any Certificateholder holding Certificates in an aggregate original principal amount of less than \$1 million shall be paid by check to the person in whose name such Certificates are registered at the close of business on the Record Date.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the Certificates and is required to receive and transmit distributions of principal of and interest on the Certificates. Participants and Indirect Participants with which Certificateholders have accounts with respect to the Certificates similarly are required to make book-entry transfers and receive and transmit such distributions on behalf of such Certificateholders. Accordingly, although Certificateholders will not possess physical certificates, such rules, regulations and procedures provide a mechanism by which Certificateholders will receive distributions and will be able to transfer their interests.

Certificateholders who are not Participants may transfer ownership of Certificates only through Participants by instructing such Participants to transfer Certificates, by book-entry transfer, through DTC for the account of the purchasers of such Certificates, which account is maintained with their respective Participants. Under the rules and in accordance with DTC’s normal procedures, transfers of ownership of Certificates will be executed

through DTC and the accounts of the respective Participants at DTC will be debited and credited. Similarly, the respective Participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing Certificateholders.

Because DTC can act only on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a Certificateholder to pledge Certificates to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such Certificates, may be limited due to the lack of a physical certificate for such Certificates.

DTC in general advises that it will take any action permitted to be taken by a Certificateholder under a Trust Agreement only at the direction of one or more Participants to whose account the Certificates are credited. Additionally, DTC in general advises that it will take such actions with respect to specified percentages of the Certificateholders only at the direction of and on behalf of Participants whose holdings include current principal amounts of outstanding Certificates that satisfy such specified percentages. DTC may take conflicting actions with respect to other current principal amounts of outstanding Certificates to the extent that such actions are taken on behalf of Participants whose holdings include such current principal amounts of outstanding Certificates.

Any Certificates initially registered in the name of Cede, as nominee of DTC, will be issued in fully registered form as Definitive Certificates to Certificateholders or their nominees, rather than to DTC or its nominee, only under the events specified in the Trust Agreement. Upon the occurrence of any of the events specified in the Trust Agreement, DTC will be required to notify all Participants of the availability through DTC of Definitive Certificates. Upon surrender by DTC of the physical certificates representing the Certificates and instruction for re-registration, the Trustee will issue the Certificates in the form of Definitive Certificates, and thereafter the Trustee will recognize the holders of such Definitive Certificates as Certificateholders. Thereafter, distributions of principal of and interest on the Certificates will be made by the Trustee directly to Certificateholders in accordance with the procedures set forth in the Trust Agreement. The final distributions in respect of any Certificate (whether Definitive Certificates or Certificates registered in the name of Cede), however, will be made only upon presentation and surrender of such Certificates on the final Distribution Date at such office or agency as is pursuant to the Trust Agreement.

Same-Day Settlement and Payment

Settlement for the Certificates will be made by the Underwriters in immediately available funds. All payments of principal and interest on the Certificates will be made in immediately available funds so long as the Certificates are maintained in book-entry form.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing house or next-day funds. In contrast, the Certificates will trade in DTC's Same-Day Funds Settlement System and secondary trading activity in the Certificates will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Certificates.

DESCRIPTION OF NOTES

General

The Trustee will be the holder of each Note for the benefit of the Trust. The funding of the Notes is being arranged by the sale of individual beneficial interests in the Trust to the Certificateholders. Each Note contained in the Trust specifies one or more dates on which principal amounts are due (each such date, a "Principal Due Date") and the rate of interest corresponding to each such amount. Each Note requires semiannual payments of interest by Borrowers seven Business Days (as defined above) prior to each February 1 or August 1 (each such February 1 or August 1, an "Interest Due Date"), commencing July 23, 2015. Interest on the outstanding principal amount of each Note will accrue at the respective pass-through interest rate on the basis of a year of 360 days, consisting of twelve 30-day months, from the Closing Date until the date as of which such principal

amount is paid. Each date on which payments in respect of interest, and, if applicable, principal are required to be made by the related Borrower is a “Note Payment Date.” Payments of interest and principal due under the Notes will be made to the Trustee. The Trustee will collect payments of interest and principal due on the Notes (including payments in respect of Optional Redemptions and Acceleration Payments, if any) and remit such payments, together with any amounts received from the Secretary under the Guarantee, to the Certificateholders entitled thereto on the corresponding Distribution Date. Late payments of interest made by Borrowers will be deposited by the Trustee into the Certificate Account (as defined below) upon receipt thereof and such payments will be promptly transmitted to the Secretary as reimbursement for payments made pursuant to the Guarantee.

Scheduled Payments on the Notes

Pursuant to the terms of each Note, each Borrower will be required to deposit with the Trustee all principal and interest payments then required to be made on the related Note no later than 3:00 P.M. (New York City time) on each Note Payment Date. No later than 1:00 P.M. (New York City time) on the sixth Business Day next preceding each Distribution Date, the Trustee shall determine whether all payments required to be made on the Notes have been received from each Borrower. If such payments have not been received, the Trustee shall notify HUD on such day that it may be required to make one or more payments pursuant to the Guarantee, and shall specify the amount thereof. If moneys in the requisite amount shall not have been received by the Trustee from the related Borrowers by the close of business on the third Business Day next preceding such Distribution Date, the Trustee shall notify HUD on such Business Day that it is required to make a payment pursuant to the Guarantee, and shall provide notice of the amount. HUD shall make any payment required to be made under the Guarantee directly into the Certificate Account by 10:00 A.M. on such Distribution Date. The Notes provide that Certificateholders shall rely exclusively on the Secretary for enforcement thereunder and no Certificateholder shall have any right to enforce the Notes directly against any Borrower.

Optional Redemption and Acceleration

Any principal amount due on a Note on or after August 1, 2025 may be prepaid by the Borrower, in whole or in part, without penalty or premium, as of any Interest Due Date on or after August 1, 2024 and will be distributed to the Certificateholders entitled thereto on the Distribution Date corresponding to such Interest Due Date. Payments made in respect of such Optional Redemptions will be applied to outstanding principal amounts of the related Note in accordance with instructions received by the Trustee from the related Borrower and approved by HUD. As a result, such Optional Redemptions will be distributed in respect of Certificates with Maturity Dates corresponding to the Principal Due Dates of the outstanding principal amounts of the related Note as to which the Borrower, with approval of the Secretary, has instructed that the Trustee apply such redemptions. As provided in the Trust Agreement, notice by a Borrower of its intention to prepay a Note may not be revoked.

If a Borrower is in default under the related Note and Contract (as defined below), whether for non-payment or other reason specified in such Note and Contract, the Secretary will continue to make timely payments of principal and interest pursuant to the corresponding Note Guarantee, if the Borrower does not do so. However, the Secretary may, but is not obligated to, make on any Distribution Date on or after August 1, 2024 an Acceleration Payment to the Trustee equal to the entire unpaid principal amount of a Note, together with accrued and unpaid interest thereon to the related Interest Due Date.

Prepayments or defaults by a Borrower will not result in (i) distribution of principal to the Certificateholders entitled to such distribution prior to the earlier of either the related Maturity Date or the Distribution Date occurring on or after August 1, 2024 or (ii) distribution of interest on the related Certificates at any time other than the Distribution Dates on which such interest is required to be distributed.

FULL FAITH AND CREDIT GUARANTEE

Pursuant to Section 108 of the HCD Act, the Secretary guarantees timely payment of principal and interest as of the respective Interest Due Dates and Principal Due Dates under each Note. The Note Guarantee is set forth in the guarantee executed on behalf of the United States by the Secretary. In the event a Borrower fails to make

any payment of principal or interest due on the related Note on a Note Payment Date, the Secretary will assure that such principal or interest payment is made on or before the Distribution Date immediately following such Note Payment Date. The full faith and credit of the United States is pledged to honor the performance of the Note Guarantee.

The Secretary also guarantees to the Certificateholders the timely pass-through distribution of interest and principal on the Certificates. The Certificate Guarantee is set forth on the Certificates and is executed on behalf of the United States by the Secretary. The full faith and credit of the United States is pledged to honor the performance of the Certificate Guarantee. As long as DTC or its nominee shall be the only registered Certificateholder, the Trustee shall act as DTC's agent solely for the purpose of enforcing the Certificate Guarantee.

Collectively, the Note Guarantee and the Certificate Guarantee form the Guarantee. In the event that the principal amount of a Note is prepaid as a result of an Optional Redemption or Acceleration Payment, the obligation of the Secretary represented by the Certificate Guarantee will be reduced by (i) the amount of principal so prepaid upon the pass-through distribution of such payments to Certificateholders, and (ii) the amount of interest that would have accrued on such principal thereafter.

Should there be any change in the status of HUD as a United States Department, the Guarantee and the full faith and credit of the United States pledged to honor the performance of the Guarantee will not be altered or impaired.

DESCRIPTION OF SECTION 108 LOAN GUARANTEE PROGRAM

HUD is an executive department of the United States of America, established in 1965 by the Department of Housing and Urban Development Act. At its establishment, HUD was vested with the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration and the predecessor of the Government National Mortgage Association. HUD administers the principal Federal government programs that provide assistance for housing and for community development.

Pursuant to Title I of the HCD Act, HUD is required to calculate annual formula-based allocations of appropriated community development block grant ("CDBG") funds and provide grants based thereon to units of general local government that meet statutory and regulatory requirements — generally, cities with populations of 50,000 or more (including the District of Columbia) and urban counties with populations of 200,000 or more (the "Community Development Block Grant Entitlement Program"). Similarly, HUD is also required to calculate annual formula-based allocations and provide CDBG grants therefrom to states (including, for this purpose, the Commonwealth of Puerto Rico ("States")) that have elected and met the statutory and regulatory requirements to administer and distribute such CDBG funds to units of general local government in nonentitlement areas of such States (the "State Community Development Block Grant Program"). The States award CDBG funds to units of general local government in nonentitlement areas pursuant to a distribution plan and related documents submitted annually to HUD. In two States (New York and Hawaii), HUD has historically provided CDBG grants directly to units of general local government from the annual CDBG allocation calculated for each such State. Beginning with the CDBG allocation for nonentitlement areas of New York State for Federal fiscal year 2000, the State of New York elected and met the applicable requirements to administer and distribute such allocation to units of general local government in nonentitlement areas of the State. In all cases, the CDBG grants may be used for a variety of eligible community development activities in accordance with the applicable regulations and grant agreements.

Pursuant to Section 108 of the HCD Act, HUD may guarantee (the "Section 108 Loan Guarantee Program"): (i) notes or other obligations issued by units of general local government eligible to receive annual CDBG grants under the Community Development Block Grant Entitlement Program, units of general local government eligible to receive CDBG grants from their State government under the State Community Development Block Grant Program, and units of general local government eligible to receive CDBG grants directly from HUD in Hawaii and certain units of general local government with pre-Federal fiscal year 2000 awards in New York, or by public agencies designated by such local governments; and (ii) certificates backed by

trusts or pools of such notes or other obligations. Each unit of general local government pledges its current and future CDBG grants and grant allocations for the repayment of its Note under the Section 108 Loan Guarantee Program. In the case of a local government eligible to receive CDBG grants from its State government, the State also pledges its current and future annual CDBG grants and grant allocations for the repayment of the loan guaranteed under the Section 108 Loan Guarantee Program. A State or local government generally is not required to pledge its full faith and credit to secure repayment of loans under the Section 108 Loan Guarantee Program. In addition to a Note, each Borrower under the Section 108 Loan Guarantee Program executes a related Contract for Loan Guarantee Assistance (each, a “Contract”) with the Secretary that sets forth the applicable pledge of CDBG grants and allocations.

TRUST AGREEMENT

The Certificates will be issued pursuant to a (i) Trust Agreement dated as of January 1, 1995, between the Secretary, as authorized by the Borrowers in their respective Contracts, and BNY Mellon (successor to JPMorgan Chase Bank, N.A.), as Trustee, as amended (the “Trust Agreement”), and (ii) a Supplement to such Trust Agreement dated as of the Closing Date relating specifically to the Certificates (the “Supplement”). Certificateholders will be entitled to the benefits of such Trust Agreement to the full extent provided therein. The responsibilities of the Trustee, summarized below, are limited to those set forth in the Trust Agreement, and no further responsibilities should be inferred. All references to time herein refer to New York City time.

The Supplement and the Trust Agreement will be available for reasonable inspection and copying by any Certificateholder or its designee, at such person’s expense, at the Trustee’s Corporate Trust Office, 525 William Penn Place, 38th Floor, Pittsburgh, Pennsylvania 15259.

Exchange of Notes; Issuance of Certificates

Pursuant to the Supplement and the Trust Agreement, the Secretary, as sponsor of the Trust on behalf of the Borrowers, will deliver to the Trustee each Note to be included in the related Trust. In exchange therefor, the Secretary, through BNY Mellon, as Trustee, will issue Certificates representing fractional undivided interests in such Trust to or upon the order of the Underwriters. All Certificates will initially be registered in the name of Cede, as nominee of DTC. See “Description of Certificates — Book-Entry Only Registration of the Certificates.”

Appointment of Trustee

The Secretary has appointed the Trustee to administer the Notes pursuant to the Supplement and the Trust Agreement but retains full power and authority, acting alone, to do any and all things in connection with such administration which it may deem necessary or desirable. The Secretary retains the sole and exclusive right to take action and assert claims with respect to the Notes. Without limiting the generality of the foregoing, the Secretary may execute and deliver, on behalf of the Trustee and the Certificateholders, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge and all other comparable instruments, with respect to the Notes.

Collection of Note Payments — Certificate Account

The Trustee will establish and maintain a separate non-interest-bearing trust account (the “Certificate Account”) into which the Trustee will deposit the following payments and collections received by it in respect of principal of and interest on the Notes: (i) all interest payments on the Notes, including those made by the Secretary pursuant to a Note Guarantee; (ii) all payments of principal of the Notes, including amounts paid by the Secretary in respect thereof pursuant to a Note Guarantee; (iii) all payments in respect of Optional Redemptions; and (iv) all Acceleration Payments.

The Trustee will not deposit into the Certificate Account any payment received from a Borrower on account of an Optional Redemption unless such payment conforms to all of the requirements specified in the related Note for an Optional Redemption; provided, however, that the receipt of any non-conforming payment will not in any way reduce the obligation of the Secretary under the related Note Guarantee. Any payments received from a

Borrower that were previously covered by payments made by the Secretary under a Note Guarantee (including late payments of interest and principal) and any payments received from a Borrower after an Acceleration Payment has been made with respect to the related Note will be deposited by the Trustee into the Certificate Account upon receipt thereof, and such payments will be promptly transmitted to the Secretary.

Distributions to the Certificateholders

On each Distribution Date, the Trustee will distribute to the Certificateholders of record as of the close of business on the Business Day immediately preceding such Distribution Date (the “Record Date”), other than as described herein or in the Trust Agreement respecting any Definitive Certificate or the final distribution on any Certificate, the respective amounts of interest and principal to which such Certificateholders are entitled from all related amounts credited to the Certificate Account as of 10:00 A.M. on the applicable Distribution Date.

Statements to the Holders

At the time of each distribution, the Trustee will furnish to each Certificateholder a statement setting forth the following information, stated on the basis of \$1,000 original principal amount, with respect to the Certificates owned of record by such Certificateholder:

- (i) the amount of such distribution allocable to principal;
- (ii) the amount of such distribution allocable to interest; and
- (iii) the amount of such Certificateholder’s fractional undivided interest in the aggregate unpaid principal amounts of Notes due on the Principal Due Date coinciding with the Maturity Date for such Certificates, after giving effect to distributions of principal made on such Certificates distributed on such Distribution Date.

In addition, within a reasonable period of time after the end of each calendar year, the Trustee will furnish a report to each person who has held the status of Certificateholder at any time during such calendar year as to the aggregate of amounts reported pursuant to (i) and (ii) above for such calendar year or, in the event such person was a Certificateholder of record during a portion of such calendar year, for the applicable portion of such year.

Modifications of Notes

Any term of any Note may be modified by such amendments as may be agreed upon from time to time by the Secretary and the Borrower under such Note. No such change in the terms of any Note shall alter or affect the Note Guarantee with respect to such Note on the basis of the terms thereof as of the date of the Note Guarantee.

Registration of Transfer and Exchange of Certificates

The Trustee has been appointed Certificate Registrar for the purpose of registering the ownership of Certificates and any transfers and exchanges of Certificates as herein provided. The Trustee will maintain at its Corporate Trust Office a Certificate Register in which, subject to such requirements as it may prescribe, the Trustee will provide for the registration of the Certificates and of transfers and exchanges of Certificates.

A service charge equal to a reasonable fee of the Trustee will be charged to the person presenting a Certificate for transfer or exchange, as the case may be, for any registration of transfer or exchange of such Certificate. The Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Certificates will initially be issued in book-entry form only. See “Description of Certificates — Book-Entry Only Registration of the Certificates.”

Persons Deemed Owners

Prior to due presentation of a Certificate for registration of transfer, the Secretary, the Trustee and any agent of the Secretary or the Trustee may treat the person in whose name any Certificate is registered as the owner of

such Certificate for the purpose of receiving distributions as described herein and for all other purposes whatsoever, and the Secretary, the Trustee and any agent of the Secretary or the Trustee shall not be affected by notice to the contrary. All Certificates will initially be registered in the name of Cede, as nominee of DTC.

Amendments to the Trust Agreement

The Trust Agreement may be amended from time to time by the Secretary and the Trustee, without the consent of any of the Certificateholders; provided, however, that no such amendment shall reduce in any manner the amount of, or delay the timing of, payments received on Notes, including Guarantee Payments, which are required to be distributed on any Certificate without the consent of the related Certificateholders.

Termination

The respective obligations and responsibilities of the Secretary and the Trustee with respect to the Trust (other than the obligation of the Secretary and the Trustee to make payments to Certificateholders as set forth in the Trust Agreement) shall terminate upon the final payment of the last remaining principal amount of a Note in the Trust, whether as of the Note Payment Date immediately preceding the related Principal Due Date, upon an Acceleration Payment or upon an Optional Redemption.

With respect to any Certificate as to which a final payment is due to an Optional Redemption or an Acceleration Payment, the Trustee will give notice of any such final payment by letter to the Certificateholders (with a copy thereof to the Secretary) mailed not later than the fifth Business Day subsequent to the Note Payment Date as of which all outstanding amounts of principal and accrued interest have been paid in full as a result of Optional Redemptions, or on which the Secretary has given notice of Acceleration Events, or a combination of both. Such notice will specify that final payment will be made from the Certificate Account upon presentation and surrender of the Certificate at the Corporate Trust Office of the Trustee, on the Distribution Date immediately following such Note Payment Date. If final payment of a Certificate occurs absent an Optional Redemption or Acceleration Payment, no notice will be given and final payment will be made from the Certificate Account on the next following Distribution Date upon presentation and surrender of the Certificate at the Corporate Trust Office of the Trustee.

Any moneys held by the Trustee for the payment of any Certificate upon final payment that remain unclaimed for six months after the Distribution Date on which such final payment was made available, will be repaid to the Secretary. Certificateholders must thereafter look to the Secretary for payment of such amounts, and all liability of the Trustee with respect to such amounts will thereupon cease.

TRUSTEE

BNY Mellon, a New York banking corporation, serves as Trustee for the Certificates and performs such duties as specified in the Trust Agreement and as described herein. The Corporate Trust Office of BNY Mellon where its duties under the Trust Agreement shall be performed is located at 525 William Penn Place, 38th Floor, Pittsburgh, Pennsylvania 15259, Attention: Corporate Trust Department. The Borrowers agreed in their Contracts with the Secretary to make single initial payments as a condition of the Guarantee, either by separate checks or by deductions from the proceeds of the Notes, intended to cover the ordinary and necessary costs of trust administration by the Trustee as long as the Trust is outstanding, as approved by the Secretary.

TAX STATUS

The following is a general discussion of certain of the anticipated United States Federal income tax consequences of the purchase, ownership and disposition of the Certificates under the Internal Revenue Code of 1986, as amended (the “Code”), without consideration of the particular facts and circumstances of each prospective investor’s special tax situation. The discussion addresses only a beneficial owner that acquires a Certificate at original issuance and that holds the Certificate as a capital asset, and does not address a taxpayer that is not a “United States Person” (as defined below). The discussion is based on interpretations of laws, regulations, rulings and decisions, all of which are subject to change. Any such change may be applied retroactively and may adversely affect the Federal income tax consequences described herein. Such discussion is not binding on the Internal Revenue Service (“IRS”), which may take a contrary view as to the matters discussed herein. **Accordingly, each prospective investor is urged to consult its own tax advisor with respect to the United States Federal income tax consequences of holding a Certificate, as well as any consequences arising under the laws of any other taxing jurisdiction.**

United States Persons

A “United States Person” is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any State (other than a partnership that is not treated as a United States Person under any applicable Treasury regulations), or an estate whose income is subject to United States federal income tax regardless of its source of income, or a trust if a court within the United States is able to exercise primary supervision of the administration of the trust and one or more United States Persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States Persons prior to such date, that elect to continue to be treated as United States Persons, also will be a United States Person.

Trust Assets

Each beneficial owner of a Certificate will be treated for Federal income tax purposes as an owner of a fractional undivided interest in a portion of the Trust represented by particular payments of principal and interest on the Notes. Each beneficial owner of a Certificate will be required to report on its Federal income tax returns, consistent with its method of accounting, such income, including interest and, as discussed below, the portion of any Optional Redemption or Acceleration Payment that exceeds its basis in the portion of the Note being prepaid, as well as any amount paid by the Secretary as interest under its Guarantee.

The Trustee will furnish to each Certificateholder a statement with respect to each distribution, setting forth the amount of such distribution allocable to principal and interest and the source thereof. In addition, the Trustee will furnish, within a reasonable time after the end of each calendar year, to each person who was a Certificateholder at any time during such year, a statement setting forth such Certificateholder’s share of interest received.

A beneficial owner of a Certificate who is an individual and certain pass-through entities, such as partnerships, must also include in gross income a portion of the expenses of the Trust. An individual taxpayer must treat such expenses as miscellaneous itemized deductions, and, as a result, an individual taxpayer’s ability to deduct such expenses may be limited.

Redemption Price

The portion of the prepayment price received by any beneficial owner of a Certificate in excess of the beneficial owner’s basis allocable to the Note that is prepaid will be treated as short-term or long-term capital gain (assuming the Certificate is a capital asset in the hands of the beneficial owner).

Characterization of Certificates

Ownership of the Certificates will be treated as ownership of (i) “obligations of the United States” within the meaning of Section 7701(a)(19)(C)(ii) of the Code, relating to the definition of Federal and domestic savings

and loan associations and certain other financial institutions; (ii) “government securities” within the meaning of Section 851(b)(3) of the Code, relating to the definition of regulated investment companies; (iii) “government securities” within the meaning of Section 856(c)(4)(A) of the Code, relating to the definition of real estate investment trusts; and (iv) “obligations of the United States or of any agency or instrumentality thereof” within the meaning of Section 895 of the Code, relating to the exemption from withholding tax for foreign central banks of issue in certain circumstances. Ownership of Certificates will not be treated as ownership of “obligations secured by mortgages on real property or on interests in real property” for purposes of Section 856(c)(3)(B) of the Code, relating to the definition of real estate investment trusts.

State and Local Taxes

Under Title 31, Section 3124 of the United States Code, as amended, “obligations of the United States” are exempt from state, municipal or local taxes, other than estate or inheritance taxes and nondiscriminatory taxes or other nonproperty taxes imposed on corporations. The United States Supreme Court has held, however, that certain Federally guaranteed trust or pool certificates should not be treated as “obligations of the United States” for purposes of Section 3124, principally because such certificates are secondary, and not primary, obligations of the United States. Consequently, beneficial owners of Certificates will be unable to claim that the Certificates and the interest thereon are exempt from state, municipal, or local taxes under Section 3124 or under the principle of intergovernmental tax immunity. Prospective investors are urged to consult their individual tax advisors to determine the tax treatment of the Certificates and the interest thereon in their states.

Sale or Other Disposition

If a beneficial owner of a Certificate sells, exchanges or otherwise disposes of the Certificate, the beneficial owner will recognize gain or loss in an amount equal to the difference between the amount realized by the beneficial owner upon the sale, exchange or other disposition and the beneficial owner’s adjusted tax basis in the Certificate. The adjusted tax basis of a Certificate to a particular beneficial owner generally will equal the beneficial owner’s cost for the Certificate, increased by any discount previously included by such beneficial owner in income with respect to the Certificate and decreased by the amount of principal payments previously received by such beneficial owner with respect to the Certificate. Any such gain or loss will be a capital gain or loss if the Certificate was held as a capital asset, except for gain representing accrued interest and accrued discount not previously included in income. Capital losses generally may be used only to offset capital gains.

Backup Withholding

A backup withholding tax may be imposed on any reportable payment unless the recipient (i) has furnished under penalties of perjury an accurate taxpayer identification number or (ii) is exempt from the backup withholding provisions of the Code. Corporations and certain other entities are, and individuals are not, exempt from the backup withholding provisions. In the case of an individual, the individual’s social security number is his or her taxpayer identification number. A reportable payment would include interest payments to a beneficial owner of a Certificate and proceeds from the sale of a Certificate before maturity to or through a broker or dealer in securities. Any amount withheld under the backup withholding rules from a reportable payment to a beneficial owner of a Certificate would be allowed as refundable credit against the beneficial owner’s United States Federal income tax, provided that the required information is furnished to the IRS.

LEGAL MATTERS

The legality of the sale of the Certificates will be passed upon for the Secretary by the General Counsel of the Department of Housing and Urban Development or his designee. Morgan, Lewis & Bockius LLP, Washington, D.C., will serve as counsel to the Underwriters.

LEGALITY OF INVESTMENT

The Certificates are acceptable as security for the deposit of public moneys subject to the control of the United States or any of its officers, agents or employees, and are eligible as collateral for Treasury Tax and Loan Accounts. Under Federal law, national banks and state banks which are members of the Federal Reserve System may deal in, underwrite and purchase for their own account Certificates without regard to any limitation based on capital and surplus.

The Certificates are eligible as security for advances to member banks by Federal Reserve Banks.

PURCHASES BY EMPLOYEE BENEFIT PLANS — ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and Section 4975 of the Code impose certain requirements on those employee benefit plans and other arrangements to which they apply (collectively “Plans”) and on those persons who are fiduciaries with respect to such Plans. Certain employee benefit plans, such as governmental plans (as defined in ERISA Section 3(32)) and certain church plans (as defined in ERISA Section (3)(33)), are not subject to ERISA, and assets of such plans may be invested in the Certificates without regard to the ERISA considerations described below, subject to other applicable Federal and state law. However, any such governmental or church plan which is qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code is subject to the prohibited transaction rules set forth in Section 503 of the Code.

Investments by Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a Plan’s investments be made in accordance with the documents governing the Plan.

Prohibited Transactions

In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA and the corresponding provisions of the Code prohibit a broad range of transactions involving assets of a Plan (“plan assets”) and persons having certain specified relationships to a Plan (“parties in interest” and “disqualified persons”). Such transactions, including the acquisition of Certificates, are treated as “prohibited transactions” under Sections 406 and 407 of ERISA, and excise taxes are imposed upon such persons and upon such Plans by Section 4975 of the Code.

Plan Assets Regulations

Pursuant to Department of Labor Regulation §2510.3-101 (the “Plan Assets Regulation”), in general when a Plan acquires an equity interest in an entity such as the Trust and such interest does not represent a “publicly offered security” (that is owned by one hundred or more investors independent of the issuer and of one another) or a security issued by an investment company registered under the Investment Company Act of 1940, as amended, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either that the entity is an “operating company” or that equity participation in the entity by “benefit plan investors” is not “significant”. In general, an “equity interest” is defined under the Plan Assets Regulation as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. It is anticipated that the Certificates will be considered equity interests in the Trust for purposes of the Plan Assets Regulation, and that the assets of the Trust may therefore constitute plan assets if Certificates are acquired by Plans. In such event, the fiduciary and prohibited transaction restrictions of ERISA and Section 4975 of the Code would apply to transactions involving the assets of the Trust. Specifically, transactions occurring in the management of the Trust’s assets might constitute prohibited transactions, and if any of the Borrowers or certain affiliates of the Trust are considered or become “parties in interest” or “disqualified persons” with respect to a Plan, the acquisition or holding of Certificates by or on behalf of such Plan could be considered to give rise to a “prohibited transaction” within the meaning of ERISA and the Code, unless a statutory, regulatory or administrative exemption is available. Class exemptions granted by the Department of Labor, such as Prohibited

Transaction Class Exemption (“PTCE”) 84-14 (Class Exemption for Certain Transactions Involving a Qualified Professional Asset Manager), PTCE 91-38 (Class Exemption for Certain Transactions Involving Bank Collective Investment Funds), PTCE 90-1 (Class Exemption for Certain Transactions Involving Insurance Company Pooled Separate Accounts), PTCE 95-60 (Class Exemption for Certain Transactions Involving Insurance Company General Accounts) or PTCE 96-23 (Class Exemption for Certain Transactions Involving an In-House Asset Manager) may exempt certain, but not necessarily all, specified transactions involving such assets. There is a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a party in interest that is a service provider to a Plan investing in the Certificates for adequate consideration, provided such service provider is not (i) the fiduciary with respect to the Plan’s assets used to acquire the Certificates or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan. However, Department of Labor Regulation § 2550.408b-2 exempts ordinary and necessary servicing transactions and may apply in connection with the management of the Trust and its assets, which management duties may be ministerial in nature and not involve the exercise of fiduciary discretion.

Conclusion

Fiduciaries of Plans should consider whether (i) an investment in the Trust is permitted under the governing Plan instruments and is appropriate for the Plan in view of its overall investment policy, the composition and diversification of its portfolio, and (ii) an investment in the Certificates could give rise to a prohibited transaction under ERISA or the Code. Consequently, we suggest that each investor subject to ERISA consult with its legal counsel concerning the matters discussed above.

UNDERWRITING

The Underwriters named below acting through their Representative, Credit Suisse Securities (USA) LLC (the “Representative”) have severally agreed, subject to the terms and conditions of the Underwriting Agreement, as supplemented by a Terms Agreement (the “Underwriting Agreement”) between the Secretary and the Underwriters, to purchase the principal amount of Certificates set forth below opposite their respective names. The Underwriters will receive a total fee of \$1,073,430, plus reimbursement of certain expenses incurred in connection with the issuance of the Certificates.

<u>Underwriter</u>	<u>Principal Amount of Certificates</u>
Credit Suisse Securities (USA) LLC	\$195,903,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	<u>195,902,000</u>
Total	<u>\$391,805,000</u>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent, and that the Underwriters will be obligated to purchase all of the Certificates if any are purchased.

The Underwriters are permitted to engage in certain transactions that stabilize the price of the Certificates. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of such Certificates.

If the Underwriters create a short position in the Certificates in connection with the offering, *i.e.*, if they sell more Certificates than is set forth on the cover page of this Offering Circular, the Underwriters may reduce that short position by purchasing such Certificates in the open market.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

Neither HUD nor the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of such Certificates. In addition, the Underwriters make no representation that the Underwriters will engage in such transactions or that such transactions, if commenced, will continue.

The Secretary has been advised by the Representative that the Underwriters propose to offer the Certificates to the public initially at the offering prices set forth on the cover page of this Offering Circular and to certain dealers at such price less a concession not in excess of the amount set forth below for each Maturity Date. The Underwriters may allow and such dealers may reallocate a concession not in excess of the amount set forth below for each Maturity Date to certain other dealers. After the initial public offering, the public offering prices and such concessions may be changed. The Certificates are a new issue of securities with no established trading market. The Underwriters intend to make a market in the Certificates but are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Certificates.

<u>Maturity Date</u>	<u>Concession (Percent of Principal Amount)</u>	<u>Reallowance (Percent of Principal Amount)</u>
August 1, 2015	0.0750%	0.0375%
August 1, 2016	0.1000%	0.0500%
August 1, 2017	0.1250%	0.0625%
August 1, 2018	0.1500%	0.0750%
August 1, 2019	0.1750%	0.0875%
August 1, 2020	0.2000%	0.1000%
August 1, 2021	0.2250%	0.1125%
August 1, 2022	0.2250%	0.1125%
August 1, 2023	0.2250%	0.1125%
August 1, 2024	0.2250%	0.1125%
August 1, 2025	0.2500%	0.1250%
August 1, 2026	0.2500%	0.1250%
August 1, 2027	0.2500%	0.1250%
August 1, 2028	0.2500%	0.1250%
August 1, 2029	0.2500%	0.1250%
August 1, 2030	0.2500%	0.1250%
August 1, 2031	0.2500%	0.1250%
August 1, 2032	0.2500%	0.1250%
August 1, 2033	0.2500%	0.1250%
August 1, 2034	0.2500%	0.1250%

The Underwriting Agreement provides that HUD will, if an appropriation specifically is made available by the United States Congress for such purpose, indemnify each Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, or contribute to payments that the Underwriters may be required to make in respect thereof.

AVAILABLE INFORMATION

This Offering Circular contains a summary of the material terms of the Certificates and the Trust Agreement. Any statements made herein are qualified in their entirety by reference to the more detailed information contained in the above documents, copies of which are available from the Trustee at 525 William Penn Place, 38th Floor, Pittsburgh, Pennsylvania 15259.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by HUD or any Underwriter. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of HUD since such date.

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\$391,805,000

**U.S. Department of
Housing and Urban
Development**

**Section 108 Government
Guaranteed Participation
Certificates,**

Series HUD 2015-A

OFFERING CIRCULAR

**Credit Suisse
BofA Merrill Lynch**

May 18, 2015

THE SUGAR HILL ARTS DISTRICT RFP



Attachment D

Standard City of Detroit Development Agreement

DEVELOPMENT AGREEMENT

Agreement to Purchase and Develop Land

by and between

The City of Detroit

and

(_____Project)

Date: _____

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Exhibit B	Site Plan Summary
Exhibit C	Quit Claim Deed
Exhibit D	Irrevocable Power of Attorney
Schedule I	Certificate of Authority for Partnership, Corporation or Limited Liability Company

DEVELOPMENT AGREEMENT

AGREEMENT TO PURCHASE AND DEVELOP LAND

BY AND BETWEEN

CITY OF DETROIT

and

(_____ Project)

THIS AGREEMENT TO PURCHASE AND DEVELOP LAND is entered into as of _____, 2012, by and between the **CITY OF DETROIT**, a Michigan public body corporate, acting by and through the Planning and Development Department, whose address is 2300 Cadillac Tower, Detroit, Michigan 48226, referred to herein as the “**City**”, and _____ whose address is _____, referred to herein as “**Developer**”.

RECITALS:

- A. Developer has offered to purchase and develop land located in the City of Detroit, the legal descriptions of which is set forth on Exhibit A attached hereto and incorporated by reference, in accordance with the terms, covenants, and conditions of this Agreement.
- B. Developer has represented to the City that it has the qualifications and financial ability to develop the land in accordance with this Agreement.

C. The City believes that the development of the Property pursuant to this Development Agreement and the fulfillment generally of this Development Agreement are in the best interests of the City and the health, safety and welfare of its residents.

In consideration of the foregoing recitals and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE 1. DEFINITIONS

The following words and expressions shall, wherever they appear in this Agreement, be construed as follows:

1.01 **“Advance”** shall mean those funds deposited with the City by Developer prior to the execution of this Agreement as set forth in Section 3.02.

1.02 **“Affiliate”** shall mean a parent, subsidiary or other company controlling, controlled by or in common control with Developer.

1.03 **“Agreement”** shall mean this Agreement and the following Exhibits and Schedules attached hereto and expressly made a part hereof:

Exhibit A Description of Property

Exhibit B Site Plan Summary

Exhibit C Quit Claim Deed

Exhibit D Irrevocable Power of Attorney

Schedule I Certificate of Authority for Corporation

1.04 **“Agreement Term”** shall mean the period of time from the date this Agreement is executed until the Certificate of Completion is issued by the City or this Agreement is terminated.

1.05 **“Associate”** shall mean any consultant, contractor, subcontractor, or any other party engaged by Developer and the agents and employees of said parties engaged by Developer to undertake any of the activities associated with the performance of this Agreement.

1.06 **“Certificate of Completion”** shall mean the written certification issued by the City as provided in Section 11.02 upon the completion by Developer of all Improvements on the Property in accordance with the terms and conditions of this Agreement.

1.07 **“City”** shall mean the City of Detroit, a Michigan public body corporate.

1.08 **“Closing”** shall mean a date agreed upon by the parties hereto for the transfer of title to the Property, but in no event shall said date be more than () **months** from the date of this Agreement.

1.09 **“Construction Plans”** shall mean all plans, drawings, specifications, related documents, and construction progress schedule, respecting the Improvements to be constructed on the Property by Developer.

1.10 **“Deed”** shall mean the Quit Claim Deed conveying the Property to Developer by the City in substantially the form as attached hereto as Exhibit C.

1.11 **“Developer”** shall mean the party specified as such in the preamble to this Agreement, its employees and agents and its successors, assigns, personal representatives, executors, and administrators.

1.12 **“Development Plan”** shall mean that plan prescribing certain land uses, objectives and restrictions approved and adopted by the Detroit City Council on _____, JCC page(s)_____, recorded in the Office of the Wayne County Register of Deeds, Liber _____, Pages ___ through _____, and entitled _____, which is incorporated in this Agreement by reference and made a part hereof.

1.13 **“Encumbrance”** shall mean any covenant, license, right of way, easement, limitation, condition, reservation, restriction, right or option, mortgage, pledge, lien, construction lien, mechanic's lien, charge, conditional sale or other title retention agreement or arrangement, encumbrance, lease, sublease, security interest, or trust interest.

1.14 **“Event of Default”** and **“Default”** shall have the meanings as set forth in Article 15 of this Agreement.

1.15 **“Improvements”** shall mean the construction proposed in the preliminary development proposal submitted to the City by Developer containing site plans and elevation drawings relative to the uses Developer agrees to construct on the Property a summary of which is set forth in Exhibit B attached hereto and made a part hereof.

1.16 **“P&DD”** shall mean the City of Detroit Planning and Development Department.

1.17 **“Project”** shall mean the development of the Property and the construction of the Improvements thereon in accordance with this Agreement.

1.18 **“Property”** shall mean that parcel of land identified by street address as _____ and located in the City of Detroit, as more particularly described in Exhibit A attached hereto and made a part hereof.

1.19 **“Purchase Price”** shall mean that sum specified in Section 3.01 hereunder to be paid to the City by Developer in consideration for the City conveying the Property to Developer for development in accordance with the terms of this Agreement.

ARTICLE 2. ENGAGEMENT OF PARTIES

2.01 Engagement. The City hereby agrees to convey the Property in consideration of Developer's agreement contained herein to purchase and develop the Property in accordance with the terms, conditions and covenants of this Agreement. Developer agrees to purchase and develop the Property in accordance with the terms, conditions and covenants of this Agreement.

2.02 City Approval of Agreement. Prior to closing and the delivery of the Deed, Developer shall have no authority to commence construction activities on the Property without prior written approval by the City. In no event shall Developer commence construction activities prior to the recording of this Agreement with the Office of the Wayne County Register of Deeds. Developer will pay the cost of recording this Agreement.

ARTICLE 3. SALE / COMPENSATION

3.01 Purchase Price. Subject to the terms, covenants, and conditions of this Agreement, Developer agrees to purchase and develop, and the City agrees to convey, the Property for the price of **and 00/00 Dollars** (\$_____ .00) to be paid by wire transfer or certified check simultaneously with the delivery of the Deed.

3.02 Advance. The Advance of _____ **and 00/100** Dollars (\$, _____ .00), to be deposited with the City by Developer prior to the execution of this Agreement, is to be held by the City as security for the performance of the obligations of Developer contained herein. Upon the issuance of the Certificate of Completion, the Advance will be returned to Developer without interest. If Developer does not satisfy the requirements for issuance of the Certificate of Completion in accordance with the terms of this Agreement, the City is entitled to retain the Advance in whole or in part, in the City's discretion, without rebate to Developer, in partial settlement of any claims it may have against Developer for breach of this Agreement.

ARTICLE 4. TITLE INSURANCE/DEED

4.01 Title Insurance.

a. Commitment. Within ten (10) days after the execution of this Agreement, Developer will obtain a commitment for an owner's title insurance policy for the Property setting forth the status of the title of the Property and all encumbrances, easements, rights-of-way, encroachments, reservations, restrictions, and all other matters of record affecting the Property subject to the terms, covenants, and conditions of this Agreement and standard exceptions (the "**Title Commitment**"). The Title Commitment will be in the amount of the Purchase Price and will be issued by a responsible title insurance company, located within the city of Detroit and licensed to do business in the State of Michigan, and/or otherwise acceptable to the City,. Developer shall have the right, promptly upon receipt of a copy of said commitment, to identify in writing those exceptions and/or title encumbrances identified therein that are unacceptable to it, in which event the City shall have reasonable opportunity (but not the obligation) to cure or remove such exceptions (if any) and to satisfy any other requirements set forth therein. The City's failure or inability to do so, or conscious decision not to do so, communicated in writing to Developer, shall give Developer the right to

terminate this Agreement and be relieved of all further obligation to perform hereunder, in which event the City shall promptly return any and all funds deposited by Developer with the City as an Advance as defined in § 3.02 herein above.

b. Policy. The City **WILL NOT** order or pay the premium for an owner's policy of title insurance, nor will the City provide any estoppel or seller's certificate to the Developer or the title insurance company. Any title insurance policy insuring Developer's title to the Property, whether an owner's or mortgage policy, with or without standard exceptions, will be at Developer's expense.

4.02 Title/Deed.

a. Conveyance. At the Closing, if Developer has complied with all of those terms and conditions precedent to Closing as specified hereunder, the City will deliver the Deed to the Property to Developer.

b. Title conveyed. Such conveyance and title shall be a determinable fee pursuant to Sections 13.01 and 16.02, and shall, in addition to the conditions and covenants hereinafter provided for, be subject to existing easements and restrictions of record, all applicable zoning and building laws, and other encumbrances (if any) specifically referred to in Exhibit A. Developer acknowledges that the City has not made, and by execution of this Agreement or any Deed does not make, any representations or warranties whatsoever with respect to title to the Property.

ARTICLE 5. TAXES AND ASSESSMENTS

5.01 Property on Tax Rolls at Closing. In the event that the Property is on the tax rolls at the date of Closing, all taxes and assessments which have become a lien upon the Property at the date of Closing shall be paid by the City provided that current City and County taxes shall be prorated and adjusted to the date of Closing or transfer of possession, whichever is earlier, on a due date basis.

5.02 Property Not on Tax Rolls at Closing. In the event that the Property is not on the tax rolls at the date of Closing, Developer agrees to pay to the City at Closing an amount equal to the *ad valorem* taxes and assessments which would have been levied had the Property been on the tax rolls, prorated from the date of Closing or transfer of possession, whichever is earlier, to the dates when the next tax bills are issued after the date the Property is placed back on the tax rolls. The Property will be placed back on the tax rolls as of December 31 of the year in which the Closing or transfer of possession takes place. For example, if the date of Closing or transfer of possession is on or before December 31, 2014, the Property would be placed back on the tax rolls effective December 31, 2014, and the next tax bills issued would be July 1, 2015 for the summer taxes and December 1, 2015 for the winter taxes. The payment for taxes would be prorated to June 30, 2015 and November 30, 2015, respectively. If the date of Closing and transfer of possession take place on or after January 1, 2015, the Property will not be placed on the tax rolls until December 31, 2015, and tax bills will not be issued until July 1 and December 1, 2016. In that case, the payment for taxes would be prorated to June 30 and November 30, 2016.

ARTICLE 6. REPRESENTATION AND WARRANTIES

6.01 Inducement. In order to induce the City to enter into this Agreement, Developer represents and warrants to the City that:

- a. Organization and Qualification. It is a duly organized corporation, partnership, limited liability company, joint venture, or sole proprietorship [*as applicable*], validly existing and in good standing under the laws of the State of Michigan, and has full power and authority to carry on its business as it is now being conducted.
- b. Power to make Agreement. It has the power to make, deliver and perform this Agreement and finance the Improvements in accordance with the terms and conditions of this Agreement and has taken all necessary action to authorize the foregoing and to authorize the execution, delivery and performance of this Agreement.
- c. Lack of Legal Impediments. The execution, delivery and performance of this Agreement will not violate any provision of any existing law, regulation, order or decree of any court or governmental entity, the violation of which would or could materially affect its ability to fulfill its obligations under this Agreement, or any provision of Developer's organizational documents (*e.g.*, charter, articles of incorporation, articles of organization, partnership agreement, bylaws or operating agreement) and will not violate any provision of, or constitute a default under, any agreement or contract to which it is a party, the violation of which would or could materially affect its ability to fulfill its obligations under this Agreement. Developer has paid all income, personal and property taxes, and inspection or license fees heretofore due, payable, and owing to the City. Developer is not in default to the City
- d. Legal Operation. It is, to the best of its knowledge, in compliance with all existing laws and regulations applicable to it, the violation of which would or could materially adversely affect its operations or would or could materially adversely affect its ability to fulfill its obligations under this Agreement.
- e. Litigation. As of the date of this Agreement, no litigation or administrative proceeding of or before any court or administrative body is presently pending, nor, to its knowledge, is any such litigation or proceeding presently threatened, against it or any of its property, by the City, or that, if adversely determined, would or could materially affect its ability to fulfill its obligations under this Agreement, or by it against the City.
- f. Financial Statements. The financial statements previously submitted to the City in connection with this Agreement (i) are complete and correct in all material respects, (ii) accurately present its financial condition as of the dates, and the results of its operations for the periods, for which same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby.
- g. Other Information. To the best of its knowledge, all other written information, reports, papers, and data given to the City by Developer with respect to it are accurate and correct in all material respects and substantially complete insofar as completeness may be necessary to give the City a true and accurate knowledge of the subject matter and all projections of future results are, in its opinion, reasonable.
- h. Other Agreements. To the best of its knowledge, it is not a party to any agreement or instrument materially and adversely affecting its present or proposed business, properties or assets, operation or condition, financial or otherwise, not disclosed to the City in writing; and it is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions set forth in any agreement or instrument to which it is a party, the violation of which would or could materially affect its ability to fulfill its obligations under this Agreement.

i. Brokerage and Finder's Fees and Commissions. It will indemnify the City and hold it harmless with respect to any commissions, fees, judgments, or expenses of any nature and kind which it may become liable to pay by reason of any claims by or on behalf of brokers, finders or agents incident to this Agreement and the transaction contemplated hereby resulting from any acts by Developer or any litigation or similar proceeding arising therefrom unless the City has by separate agreement provided for such payment.

j. Security Ownership. The listing of the record owners owning ten percent (10%) or more of the securities or membership interests issued by Developer and Affiliates as of the date of this Agreement which indicates the names of such record owners, their percentage ownership thereof, the type of security or interest owned thereby, the number of shares or units of such security or interest and the issuer thereof, is true and complete in all respects. It has no knowledge of any persons or entities other than the record owners of said securities or interests having any beneficial or other interest therein.

6.02 Survival. All of the representations and warranties contained in this Article 6 or pursuant hereto shall survive the delivery of the Deed and shall remain in full force and effect until the Certificate of Completion is issued. If the Property is to be acquired in phases, the City may, in its discretion, require Developer to execute a document reaffirming the continuing validity of these representations and warranties as a condition to closing on each phase. Developer shall indemnify and hold the City harmless from and against, and shall be obligated to pay and reimburse the City for, any and all loss and damage (including reasonable attorneys' fees, whether inside or outside counsel) which the City may sustain or incur as a result of any misrepresentation or breach of warranty on the part of Developer due to the City's reliance thereon.

ARTICLE 7. TESTS AND SURVEYS; CONDITION OF PROPERTY

7.01 Surveying and Testing. The City will, prior to the transfer of possession or title, authorize Developer through and in accordance with a fully executed Right-of-Entry, to make soil boring and bearing tests and undertake such surveying and environmental and other due diligence activities as Developer deems appropriate, provided such does not interfere with the use (including demolition or site improvement activities) of the City or the use of any tenant in possession, if any, and subject to the Developer's compliance with the requirements of this Article 7 and elsewhere in this Agreement. All such testing shall be done at Developer's risk and expense. Subject to the terms of the aforementioned Right of Entry, Developer shall give prior notice to the City to inspect and investigate the condition of the Property, including its environmental condition and shall conduct such inspection and investigation as Developer desires during normal business hours. Prior to entering onto the Property for such purposes, Developer shall (i) request authorization from the Building, Safety, Engineering and Environmental Department and provide details of the intended activities and other documentation deemed necessary by the City, (ii) obtain a Right-of-Entry letter from City, (iii) execute said letter, and (iv) comply with all conditions and requirements stated therein. Developer shall use all reasonable efforts to minimize damage to the Property in connection with such entry and shall fully restore the Property to the condition existing prior to such entry. Developer shall indemnify, defend and hold the City harmless from and against, any and all loss, cost, liability and expense, including reasonable attorneys' fees and litigation costs, suffered or incurred by the City as a result of the Developer's activities in accordance with the Right-of-Entry. Developer shall submit to the City a copy of each survey or report generated as a result of such activities.

7.02 Condition of Property. Developer takes the Property as it finds it, “AS IS”, and the City makes no implied or express representations or warranties as to its fitness for absolutely any purpose whatsoever, including but not limited to the proposed use(s) set forth in this Agreement in Article 13, Exhibit B, or otherwise, any warranty that the Property is fit for the Developer’s purpose or regarding the presence or absence of Hazardous Materials at, on, in, under, about or from the Property and compliance of the Property with Environmental Laws, or otherwise. Developer acknowledges that neither the City or any agent of the City has made any warranty, representation or agreement, either express or implied, and that Developer has not relied on any representation, warranty or agreement of any kind made by the City or any agent or employee of the City concerning (a) the physical or environmental condition of the Property; or (b) the presence or absence of any condition, substance or material, including but not limited to any waste material, equipment or device at, in, on, about, under, or from the Property. Developer agrees that the disclosures of the City concerning the Property and its condition are intended to satisfy any duties the City may have under the law, including but not limited to statutes, Environmental Laws and common law. Developer shall rely solely on its own due diligence with respect to such inquires, investigations and assessments. By executing this Agreement, Developer acknowledges that it is satisfied with the condition of the Property, subject only to inspection of the Property, review of title, and the results of the tests, investigations, and surveys permitted under Section 7.01, above. If, within _____ (____) days after the execution of this Agreement by the City and the Developer, Developer fails to undertake such investigations and/or obtain such test results and surveys, or fails to object to the condition of the Property based upon the results of such tests, investigations or surveys, or fails to deliver copies of any and all reports of such tests, investigations and/or surveys to the City, Developer shall be deemed to have waived any right to object to the condition of the Property and shall be deemed to have declared its full satisfaction therewith.

7.03 Release of City from Liability; Indemnification. Developer hereby releases the City and its officials, employees, and agents (but not any third party) from any and all liability for any defects in or conditions of the Property, including but not limited to any surface, subsurface, latent or patent conditions whether naturally occurring or by action of any party, or conditions currently existing thereon, including but not limited to conditions described in Section 19.05, but subject to Section 19.05. Subject to Section 19.05, Developer hereby expressly agrees to and shall indemnify and hold the City harmless from any claims by it or any other party for any personal injury or other loss resulting from any such Property conditions that occur or accrue after the date of possession or Closing, whichever is earlier.

7.04 Section 16 of NREPA. Check the box below if the Property is a “facility” under Part 201 of NREPA and provide the required information.

Pursuant to the requirements of Section 16 of Part 201 of NREPA, MCL 324.20116, Developer agrees that the City has notified Developer that the property is a “facility” as that term is defined in Part 201 of NREPA. The general nature and extent of any land or resource restrictions or any release at or from the facility that is known to the City is more fully described in certain reports, copies of which have been provided to Developer. By its execution of this Agreement, Developer acknowledges receipt of the following reports:

[Identify such environmental reports, if any, including Phase I and Phase II Environmental Site Assessments, with specificity. If none, so state.]:

[If the Property is not a “facility” as defined in NREPA, insert “NA” for “Not Applicable”: ___].

ARTICLE 8. CLOSING

8.01 Time and Place of Closing. The City will notify Developer of the prospective closing date not less than ten (10) calendar days prior to the Closing, unless otherwise agreed between the parties. The Closing shall take place within thirty (30) days after satisfaction of the conditions to closing as specified in Section 8.02 of this Agreement, but in no event later than _____ (__) months after the date of this Agreement. If Closing has not taken place within _____ (__) months after the date of after the date of this Agreement, and the City has not consented to any extension, then the City may terminate this Agreement upon written notice to Developer. The Closing shall take place at the office of the City's Planning & Development Department, or such other location in downtown Detroit designated by the City.

8.02 Conditions to Closing.

a. City's Obligations to Close. The obligation of the City to effect a Closing hereunder shall be subject to receipt of a resolution by the Detroit City Council authorizing the transaction, fulfillment of all conditions contained therein and fulfillment by Developer of each of the following conditions precedent:

1. Legal Opinion of Developer's Counsel. There shall have been a legal opinion delivered to the City by outside counsel to Developer dated the Closing date, and supported by a certificate from Developer, to the effect that:

(a) That Developer is a duly organized corporation, partnership, limited liability company, joint venture or sole proprietorship [*as applicable*], validly existing and in good standing under the laws of the State of Michigan, and is in good standing in each jurisdiction, where the nature of the business conducted by it or the properties owned or leased by it requires such qualifications.

(b) Developer has the power to make, deliver and perform this Agreement, to give the required Advance, to borrow pursuant to this Agreement and to make, deliver and perform all required loan instruments necessary for the performance of this Agreement and has taken all necessary action to authorize each of the foregoing.

(c) This Agreement has been duly executed and delivered by a duly authorized officer, partner, or member of Developer, and this Agreement constitutes a valid obligation of Developer, legally binding and enforceable upon it in accordance with its terms.

(d) So far as is known to such counsel, the execution, delivery, and performance of this Agreement will not violate any provision of any existing law or regulation, order or decree of any court or governmental entity, or any provision of Developer's organizational documents (*e.g.*, charter, articles of incorporation, articles of organization, partnership agreement, bylaws, or operating agreement) or violate any provision of or constitute a default under any agreement or contract to which Developer is a party.

(e) No Default known to such counsel has occurred and is continuing under this Agreement.

(f) So far as is known to such counsel, Developer is in compliance with all zoning requirements, and all other applicable state and federal statutes and regulations and local laws applicable to the conduct of Developer's business as presently being conducted, the violation of which would or could materially adversely affect its operations or would or could materially adversely affect its ability to fulfill its obligations under this Agreement.

2. Resolution of Developer's Authority. Developer shall furnish to the City a certified copy of a resolution satisfactory to the City in form and substance, duly adopted by the Board of Directors or Members of Developer, or an authorized vote of the partners or joint venturers, authorizing the execution, delivery and performance of this Agreement and all other documents and actions contemplated hereunder. Developer shall also furnish to the City an incumbency certificate, executed by the corporate secretary or proper manager of Developer, identifying the officers or Managers of Developer.

3. Documents and Legal Matters. All documents reasonably requested by the City shall have been submitted to the City and shall be satisfactory in form and content as determined by the City.

4. Delivery of Financing Documents. Developer shall have furnished the City evidence satisfactory to the City of Developer's financial ability to complete the Project, which evidence, if requested by the City, may consist of validly executed financing documents acceptable to the City from qualified financial institutions of recognized responsibility, evidencing (i) sufficient capital on deposit to secure financing, which capital shall not be subject to withdrawal prior to Closing, and (ii) legally binding and enforceable commitments for obtaining financing. The City may, in its discretion, waive such requirements if Developer submits other evidence satisfactory to the City of Developer's financial ability to complete the Project.

5. Evidence of Insurance. Developer shall obtain, prior to Closing and prior to entry onto the Property for the purposes set forth in Article 7, and maintain at its expense during the term of this Agreement and any extension thereof the insurance described in Section 9.02. Developer shall provide evidence of such insurance to the City in accordance with Section 9.02.

6. Payment of Purchase Price and Closing Costs. Developer shall have tendered payment of the Purchase Price, the Advance, and the closing costs payable by Developer.

7. No Default. There shall be no existing Default by Developer under this Agreement.

8. Delivery of Construction Plans. Developer shall have delivered to P&DD the documents required pursuant to Article 10 of this Agreement.

9. Resolution of the Detroit City Council. The Detroit City Council shall have by resolution duly authorized the execution, delivery, and performance of this Agreement, and all other documents and actions contemplated hereunder (the "Resolution"), and all conditions contained in the Resolution shall have been satisfied.

b. Developer's Obligations to Close. The obligation of Developer to effect a Closing hereunder shall be subject to the fulfillment by the City of each of the following conditions precedent:

1. Title. Title to the Property shall be in the form required by this Agreement.
2. City Council Approval. The City Council shall have adopted a resolution authorizing the transaction contemplated by this Agreement.
3. Acceptable Condition of Property. The physical and environmental condition of the Property shall be acceptable to Developer, pursuant to Article 7.

8.03 Delivery of Deed and Possession. The City will deliver the Deed to the Property and the possession thereof to Developer at the Closing provided that Developer has complied with all conditions precedent as specified herein. Developer shall be responsible for recording this Agreement and the Deed and paying all recording costs (including the cost of the documentary stamp tax on the Deed, if any).

8.04 Payment of Expenses. Developer shall pay all costs, fees, and out of pocket expenses of whatsoever kind or nature related to the procurement of services of Associates and contractors, etc. which have been incurred pursuant to the making of this Agreement and shall hold the City harmless with respect to the payment of same notwithstanding anything contained herein or elsewhere to the contrary.

8.05 City's Failure to Convey. In the event the City does not tender the conveyance of the Property in the manner provided in this Agreement, and any such failure shall not be cured within thirty (30) days after written demand by Developer, then, provided Developer is not in Default under this Agreement, at the option of Developer, this Agreement shall be canceled in accordance with Section 14.04, except as to parcels previously conveyed (if any), or, if all of the conditions set forth in Section 8.02a above have been satisfied, Developer shall be entitled to seek specific performance of this Agreement.

ARTICLE 9. AFFIRMATIVE COVENANTS

Developer covenants and agrees that until the Certificate of Completion is issued it will:

9.01 Maintenance of Business and Existence. Continue to engage in business of the same general type as now conducted by it so that its principal business shall continue to be as stated herein, will do all things necessary to preserve, renew, and keep in full force and effect its corporate, partnership, limited liability company, joint venture, or sole proprietorship existence [*as applicable*] and rights and franchises necessary to continue such business and will preserve and keep in force and effect all licenses and permits necessary for the proper conduct of its business.

9.02 Maintenance of Insurance. Maintain at its expense during the Agreement Term and any extension thereof, the following insurance:

- a. Workers' compensation insurance for employees that meets Michigan's statutory requirements and Employers' Liability insurance with minimum limits of One Hundred Thousand Dollars (\$100,000.00) each accident.
- b. Automobile liability insurance covering all owned, hired, and non-owned vehicles with personal protection insurance to comply with the provisions of the Michigan No-Fault Insurance Act, including residual liability insurance, with minimum bodily injury limits of One Hundred Thousand Dollars

(\$100,000.00) each person and Three Hundred Thousand Dollars (\$300,000.00) each occurrence and minimum property damage limits of One Hundred Thousand Dollars (\$100,000.00) each occurrence.

c. Comprehensive general liability insurance with minimum limits of One Million Dollars (\$1,000,000.00) combined single limit, each occurrence, for bodily injury, property damage, products, completed operations and blanket contractual liability for all written agreements.

Developer agrees that it will obtain a similar covenant with respect to worker's compensation insurance from all Associates. All of said insurance policies shall name Developer as the insured and, except for the worker's compensation insurance, shall name the City of Detroit as an additional insured and shall, to the extent obtainable, be accompanied by a commitment from the insurer that such policies shall not be canceled or reduced without at least thirty (30) days' prior notice to the City. Certificates of insurance evidencing such coverage shall be submitted to the City prior to the Closing. If the insurance is on a "claims made" basis, evidence of insurance shall be submitted for three (3) years after issuance of the Certificate of Completion.

9.03 Payment of Obligations. Pay and discharge all its indebtedness for borrowed money, and all liabilities for judgments, taxes, assessments and governmental charges, except where the same may be contested in good faith, and maintain adequate reserves for all contingent liabilities. Provided, that if the City has reasonable grounds to believe that Developer will not timely discharge such obligations, the City may, upon written notice to Developer, at the City's option and without waiving any of its rights hereunder, pay either before or after delinquency, any or all of the said obligations and all sums so advanced or paid by the City shall become a lien upon the Property and every payment so made shall bear interest from the date of such failure to pay to the date of repayment to the City at the interest rate applicable to a federal income tax deficiency or penalty.

9.04 Books and Records. Maintain, at all times, true and complete books, records and accounts in which true and correct entries shall be made of its transactions concerning this Agreement in accordance with generally accepted accounting principles consistently applied.

9.05 Notification of Defaults. Promptly notify the City of any Default under or pursuant to this Agreement, whether or not any requirement of notice or lapse of time, or both, or any other condition has been satisfied or has occurred.

9.06 Access to Records and Premises. Afford access by the City to the Property at all reasonable times for purposes of inspection, and permit the City to inspect and make and take away copies of any and all of its records relative to this Agreement.

9.07 Notification Relating to Development Lender. Promptly notify the City of any refusal by any development lender to make a requested advance, any demands for escrow amounts under deficiency clauses, any declaration that default has occurred, or declaration that development stage specifications for the Project are unacceptable.

9.08 Further Information. Promptly furnish the City from time to time such other information regarding its operations, business, affairs and financial condition concerning this Agreement that the City may reasonably request.

9.09 Further Assurance. Upon request, execute and deliver, or cause to be executed and delivered, such further instruments and do or cause to be done such further acts as may be reasonably necessary or proper to carry out the intent and purpose of this Agreement.

ARTICLE 10. CONSTRUCTION PLANS

10.01 Submittal. At least ninety (90) days before Closing, and as a condition precedent to Closing and the issuance of any building permit, Developer shall submit to P&DD for approval Construction Plans in sufficient completeness and detail to show that the Improvements and the construction thereof will be in accordance with the provisions of this Agreement.

10.02 Approval of Construction Plans. P&DD shall promptly review the submitted Construction Plans. If the Construction Plans conform to the terms and provisions of this Agreement, as determined within the sole and reasonable discretion of P&DD, P&DD shall approve in writing such Construction Plans and no further filing by Developer or approval by P&DD thereof shall be required in satisfaction of this Agreement except with respect to any material change. In the event of a dispute with respect to what constitutes a material change, P&DD's reasonable determination shall control. If Developer desires to make any material change in the Construction Plans after their approval by P&DD, Developer shall submit the proposed change to P&DD for its approval. It shall be within P&DD's sole and reasonable determination to approve or reject such change.

If P&DD rejects the Construction Plans in whole or in part as not being in conformity with this Agreement, Developer shall submit new or corrected Construction Plans which are in conformity therewith within thirty (30) days after written notification to Developer of such rejection.

The provisions herein provided relative to approval, rejection and resubmission of corrected Construction Plans with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by Pⅅ provided, however, that in any event, Developer is required to submit Construction Plans which are in conformity with this Agreement, as determined by P&DD, no later than ninety (90) days after the date P&DD provides notice to Developer of P&DD's first rejection of the original Construction Plans submitted to it by Developer.

10.03 Other Approvals. Approval by P&DD of the Construction Plans is in addition to any approvals by the City's Buildings & Safety Engineering Department (or other agencies or departments) for building permits, use permits, certificates of occupancy, zoning approvals and variances, and other permits whether required by other City departments and/or agencies or otherwise. Developer shall be responsible for applying for all permits and zoning approvals and/or variances to allow for the uses it will make of the Property and the Improvements it will construct on the Property. Execution of this Agreement by the City shall not be deemed a grant of such permits, approvals, or variances, or a waiver of any of the procedural or substantive requirements of the departments and/or agencies responsible for issuing the permits, approvals and/or variances.

ARTICLE 11. PERFORMANCE OF CONSTRUCTION

11.01 Commencement and Completion. Developer shall promptly begin and diligently complete the development of the Property throughout the construction of the Improvements thereon, and shall begin such construction within _____ **days** or _____ **months** from the date of Closing. Construction shall be completed within _____ **days** or _____ **months** of the date of Closing.

11.02 Certificate of Completion.

a. Subsequent to the proper completion of the Improvements in accordance with the provisions of this Agreement, the City shall furnish Developer with an instrument certifying such completion (herein called the “**Certificate of Completion**”). Upon written request by Developer, the Property may be divided into parts or parcels, provided that such subdivision, in the opinion of the City, is not inconsistent with the Development Plan or this Agreement. At its sole discretion, the City may furnish Developer with individual Certificates of Completion upon proper completion of the Improvements relating to any such part or parcel.

b. When Developer considers all Project work required hereunder to be complete, in conformance with this Agreement, and ready for final inspection, it shall so notify the Director of P&DD (herein called the “**Director**”). Within thirty (30) days of such written notification, the Director will thereafter make or cause to be made such inspection. If, upon such inspection, the Director finds the entire work not fully completed or portions not acceptable under the terms and conditions of this Agreement, the Director will so notify Developer in writing indicating in detail in what respects Developer has failed to complete the Improvements in accordance with this Agreement or is otherwise in Default, and what measures and acts Developer must take or perform in order to cure such nonconformity or Default. Developer shall thereafter promptly complete the Improvements in accordance with such directive so as to conform the construction of the Improvements as required by this Agreement.

c. Upon the Director's determination that the Project is complete and in conformance with all provisions and requirements of this Agreement, the Director shall issue the Certificate of Completion.

d. Except as may be stated therein, the Certificate of Completion shall be a conclusive acknowledgment by P&DD of satisfaction by Developer of its obligations under this Agreement for the portion of the Property addressed by the Certificate of Completion, except as provided in Sections 13.01b, 13.01c and 13.01d hereof. The Certificate of Completion shall not, however, constitute evidence of compliance with or satisfaction of (i) any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the Improvements, or any part thereof, or (ii) the requirements of any department, agency or entity with respect to any building, occupancy, or other permits.

e. The Certificate of Completion shall be in such form as can be recorded against the Property. The cost of recording the Certificate of Completion shall be the responsibility of Developer.

f. In the Director's discretion, Certificates of Completion may be given for each phase if the Project is developed in phases.

ARTICLE 12. COST OF CONSTRUCTION

Developer shall be solely responsible for and shall pay in a timely manner all costs and expenses of whatsoever kind or nature constituting the cost of construction of the Improvements and development of the Project.

ARTICLE 13. RESTRICTIONS ON USE

13.01 Covenants Regarding Use of Property. Developer covenants for itself and its successors and assigns and every successor in interest to the property, or any part thereof, that Developer and its successors and assigns shall:

a. Devote the Property only to and in accordance with the uses specified in this Agreement. This covenant shall be construed to run with the Property until the issuance of the Certificate of Completion.

b. *[If applicable]* Devote the Property to and only to and in accordance with, the uses specified in the Development Plan. This covenant shall be construed to run with the Property until the expiration of the period specified in the Development Plan.

c. *[If applicable]* Rehabilitate and maintain the Property in accordance with the recommended approaches in “The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings”, if applicable. This covenant shall be construed to run with the Property in perpetuity, without limitation as to time; however, the Michigan State Historic Preservation Officer may, for good cause, modify or cancel any or all of the restrictions of this Subsection upon written application.

d. Not discriminate upon the basis of race, religion, sex, creed or national origin in the sale, lease or rental or in the use or occupancy of the Property or any Improvements erected or to be erected thereon, or any part thereof. This covenant shall be construed to run with the Property in perpetuity, without limitation as to time.

ARTICLE 14. INABILITY TO OBTAIN FINANCING OR PERMITS

14.01 Inability to Obtain Financing. In the event that, prior to the Closing, Developer shall be unable, after diligent effort, to obtain financing to construct the Improvements, as determined within the reasonable discretion of the City, on terms that would generally be considered satisfactory by builders or contractors for Improvements of the nature and type provided in the Construction Plans, then Developer and the City shall each have the right to cancel this Agreement.

14.02 Inability to Obtain Permits, Zoning Variances. If prior to the Closing Developer notifies the City that it has been or will be unable, after diligent effort, to obtain permits to allow for the uses it intends to make of the Property or the construction of Improvements or that under the zoning ordinances the Property cannot be used for the purposes and/or uses set forth in this Agreement and Developer, after diligent effort, has been unable to obtain the necessary zoning variances or approvals, then this Agreement shall be canceled in accordance with Section 14.04.

14.04 Cancellation. In the event of cancellation of all or any part of this Agreement as specified above, the City shall refund the Advance, without interest, less any costs incurred by the City or any damages the

City sustains to return the Property to the condition before Developer's entry upon the Property. Upon such cancellation the Developer shall have no further rights in or to this Agreement or the Property, and no claim against the City under this Agreement with respect to conveyancing or development of the Property.

ARTICLE 15. DEFAULTS AND EVENTS OF DEFAULT

15.01 Default by Developer. The occurrence of any one or more of the following events shall constitute a Default of this Agreement by Developer:

- a. Developer violates its obligation with respect to the commencement or completion of the construction of the Improvements, as specified in this Agreement.
- b. Developer fails to pay, when due, real estate taxes or assessments on the Property or any part thereof or places thereon any Encumbrance unauthorized by this Agreement, or suffers any levy or attachment to be made or any materialman's, mechanic's, or construction lien or any other unauthorized Encumbrance to attach.
- c. Developer violates any of the terms and conditions of the Fair Employment Practices Provision, Article 23 herein.
- d. There is any transfer of all or any part of the Property or of any right or interest in all or any part of the Property; or, in violation of Section 18.02 hereunder, there is any change in excess of ten percent (10%) or more in the or distribution of Developer's ownership interests or stock or with respect to the identity of the parties in control of Developer or the degree thereof.
- e. Developer admits in writing its inability to pay its debts generally as they become due, or Developer ceases to conduct business in the normal course by reason of any of the following: (i) The making by Developer of any general arrangement or general assignment for the benefit of creditors; (ii) Developer becoming a "debtor" as defined in 11 USC § 101 or any successor statute thereto (unless, in the case of a petition filed against Developer, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Developer's assets located at the Property or of Developer's interest in this Agreement, where possession is not restored to Developer within sixty (60) days; (iv) the attachment, execution or other judicial seizure of substantially all of Developer's assets located at the Property or of Developer's interest in this Agreement, where such seizure is not discharged within sixty (60) days; or (v) its voluntary or involuntary dissolution. In the event that any provision of this subsection is contrary to any applicable law, such provision shall be of no force or effect.
- f. Developer violates any of the terms and conditions of this Agreement and, except as otherwise provided in this Section 15.02, Developer fails to cure the same after receipt of written notice by the City to cure said Default.
- g. Developer does not acquire the Property pursuant to a Closing in accordance with this Agreement.

15.02 Failure to Cure Default. Any such Default on the part of Developer as set forth in Section 15.01 and the failure of Developer to cure such Default within thirty (30) days after written notice and demand by the City to cure said Default shall be deemed to constitute an **Event of Default**, provided, however,

that if the nature of Developer's Default is such that more than the cure period provided is reasonably required for its cure, then Developer shall not be deemed to be in default if Developer, with the City's acknowledgment and consent, commences such cure within said period and thereafter diligently pursues such cure to completion. If Developer is in good faith contesting any amount due under Subsection 15.01b, Developer may, in lieu of paying said amount, deposit said amount in an escrow account which shall be disbursed upon the resolution of the dispute, or if the amount relates to a construction lien, Developer may bond over the lien in the manner prescribed by law. Defaults pursuant to Subsections 15.01d, 15.01e, and 15.01g are hereby deemed to be material, non-curable Events of Default without the necessity of any notice by the City to Developer thereof. The City may, in its sole discretion, waive in writing any Default or Event of Default by Developer.

15.03 Default by the City. The City shall not be in default unless the City fails to perform obligations required of the City within a reasonable time, but in no event later than ninety (90) days, after written notice by Developer to the City, specifying wherein the City has failed to perform such obligation, provided, however, that if the nature of the City's obligation is such that more than ninety (90) days are reasonably required for performance then the City shall not be in default if the City commences performance within such ninety (90) day period and thereafter diligently pursues such performance to completion.

ARTICLE 16. REMEDIES

16.01 Prior to Conveyance. Upon an Event of Default prior to conveyance of the Property, this Agreement and any rights of Developer arising hereunder or otherwise with respect to the City or the Property, may, at the option of the City, be terminated by the City, except as to parcels previously conveyed where a Certificate of Completion has been issued by the City. In the event of such termination, the Advance may be retained by the City as its property without any deduction, offset, or recoupment whatsoever.

16.02 Subsequent to Conveyance. It is expressly understood and agreed between the parties hereto that during the Agreement Term the conveyance of the Property to Developer shall be construed and interpreted as the conveyance of a fee simple determinable until issuance of the Certificate of Completion, and that such conveyance shall endure only so long as subsequent to the conveyance and prior to the issuance of the Certificate of Completion there has been no Event of Default. Upon an Event of Default and the City's recording of a notice thereof, title to the Property shall automatically revert in the City, except for parcels previously conveyed where a Certificate of Completion has been issued by the City. Upon such reversion of title, the City shall have the right to re-enter and take immediate possession of the Property. Upon an Event of Default, this Agreement and any rights of Developer arising hereunder or otherwise with respect to the City or the Property, may, at the option of the City, be terminated by the City, except as to parcels previously conveyed where a Certificate of Completion has been issued by the City. Developer shall execute and deliver to the City at Closing a deed for the Property for the purpose of conclusively evidencing the reversion of title to the Property in the City upon termination in connection with an Event of Default. In the event of such termination, the Advance may be retained by the City as its property without any deduction, offset, or recoupment whatsoever.

16.03 Appointment of Attorney-in-Fact. Pursuant thereto, Developer hereby irrevocably constitutes and appoints the City, upon an Event of Default, to act as its true and lawful agent and attorney-in-fact, and grants the City full power and authority, upon an Event of Default, to execute in its name and on its behalf

one or more consents, acknowledgments, judgments, or deeds effecting, evidencing, or perfecting the conveyance of the Property to the City, together with all of Developer's rights, title, and interest therein. Developer shall be bound thereby as if an authorized officer of Developer had personally executed same. Developer shall execute simultaneously with this Agreement an **“Irrevocable Power of Attorney”** (in substantially the form of Exhibit D attached hereto and made a part hereof) granting such authority to the City.

16.04 Vacation of Property. Developer further acknowledges that any delay or failure to immediately vacate the Property after title to the Property has vested back in the City will cause irreparable injury to the City not adequately compensable in damages and for which the City has no adequate remedy at law. Developer accordingly agrees that the City may in such event seek and obtain injunctive relief in a court of competent jurisdiction to compel Developer to vacate and abandon such Property, as well as liquidated damages in the amount of 150% of the rental rate for similar properties per day for each day of such failure or delay.

16.05 Remedies Cumulative. The rights and remedies of the City, whether provided by law or by this Agreement, shall be cumulative, and the exercise by the City of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach. No waiver made by the City shall apply to obligations beyond those expressly waived in writing.

16.06 Waiver of Defense. Developer, for itself and its successors and assigns, and all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Agreement, hereby waives, to the fullest extent permitted by law and equity, all claims or defenses otherwise available on the ground of its or their being or having become a person in the position of a surety, whether real, personal, or otherwise, or whether by agreement or operation of law. Such waiver shall include, but shall not be limited to all claims and defenses based upon extensions of time, indulgence, or modification of terms of this Agreement.

16.07 Reimbursement of Costs. Developer shall reimburse the City for its expenses, including reasonable attorney fees (whether inside or outside counsel), incurred by the City in connection with the enforcement of or the preservation of any rights under this Agreement including, but not limited to, any costs, damages, and expenses related to the recapture, management and resale of the Property.

16.08 Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the City of title to the Property or any part thereof as provided in Section 16.02, the City shall, pursuant to its responsibilities under the State law, use its best efforts to resell the Property or part thereof (subject to such mortgage liens and leasehold interests as in Section 18 set forth and provided) as soon and in such manner as the City shall find feasible and consistent with the objectives of such law, the Development Plan and this Agreement, to a qualified and responsible party or parties (as determined by the City) who will assume the obligation of making or completing the Improvements or such other improvements in their stead as shall be satisfactory to the City and in accordance with the uses specified for such Property or part thereof in the Development Plan and this Agreement. Upon such resale of the Property, the proceeds thereof shall be applied as follows:

a. First, to reimburse the City for all costs and expenses incurred by the City (including, but not limited to, attorneys' fees and salaries of personnel) in connection with the recapture, management, and resale of

the Property or part thereof (but less any income derived by the City from the Property or part thereof in connection with such management); all insurance premiums, taxes, assessments, and water and sewer charges with respect to the Property or part thereof; any payments made or necessary to be made to discharge any Encumbrances existing on the Property or part thereof at the time of re-vesting of title thereto in the City or to discharge or prevent from attaching or being made any subsequent Encumbrances due to obligations, defaults, or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the City by Developer and its successor or transferee.

b. Second, to reimburse Developer, its successor or transferee, up to the amount equal to lesser of: (i) the Purchase Price paid by it for the Property (or allocable to the part thereof), plus the lesser of (A) the cash actually expended by it for labor and materials in performing the construction of the Improvements on the Property or (B) the value of the Improvements, measured by the increase (if any) in the fair market value of the Property attributable solely to the Improvements; or (ii) the fair market value of the Property as determined by the City's Assessor; and less any gains or income withdrawn or made by Developer, its successor or transferee, from this Agreement or the Property.

c. Any balance remaining after such reimbursements shall be retained by the City as its property.

16.09 Estate Conveyed. Notwithstanding anything contained in this Agreement to the contrary, the estate conveyed hereby shall be deemed to be a determinable fee during the Agreement Term, and upon the issuance of the Certificate of Completion the possibility of reverter retained by the City shall automatically expire as to that part of the Property described therein.

ARTICLE 17. COVENANTS TO RUN WITH LAND

Except as provided for in Article 13 hereunder, each and all of the covenants, restrictions, reservations, conditions, and provisions contained in this Agreement are made for the direct, mutual, and reciprocal benefit of the Property and the community, and during the Agreement Term will be construed and interpreted by the parties hereto as covenants running with the land. Pursuant hereto Developer, by accepting the Deed to the Property, accepts same subject to such covenants, restrictions, reservations, conditions, and provisions and agrees for itself, its successors and assigns to be bound by each of such covenants, restrictions, reservations, conditions and provisions. The City shall have the right to enforce such covenants, restrictions, reservations, conditions and provisions against Developer, its successors and assigns to or of the Property or any part thereof or any interest therein.

ARTICLE 18. RESTRICTION UPON SPECULATION AND ASSIGNMENT

18.01 No Speculation. Developer represents that its purchase of the Property and its other undertakings pursuant to this Agreement are for the purpose of development of the Property in accordance herewith and not for speculation.

18.02 Stock Transfers or Other Transfers of Ownership Interests. Prior to completion of the Improvements as certified by the City there shall be no transfer by any party owning ten percent (10%) or more of the shares or other ownership interests in Developer without the prior written approval of the City. There shall not be, without prior written approval of the City, any other similarly significant change in the

ownership of such stock or other interests or in the relative distribution thereof or with respect to the identity of the parties in control of Developer by other means, whether by increased capitalization, merger with or acquisition by another legal entity, or by amendment of organizational documents or issuance of additional or new ownership or membership interests, shares or classifications thereof, or otherwise. Notwithstanding anything contained in this Section 18.02 or elsewhere in this Agreement, the owners of interests in Developer shall be permitted to transfer such ownership interests to (i) other existing owners of such interests or (ii) member(s) of their immediate family, or (iii) trusts in connection with estate planning, or (iv) entities owned by any of the foregoing, provided that such a permitted transfer does not constitute or cause a significant change in the identity of parties in control of Developer.

18.03 Membership in Non-Profit Entity. If Developer is a non-profit entity, the limitations on transfers set forth in Section 18.02 shall not apply to changes of membership in Developer nor to changes in the identity of the parties in control of the non-profit entity occasioned by the routine election of members of its governing body or the filling of vacancies occurring from time-to-time on said governing body provided that Developer remains a non-profit entity.

18.04 Prior Approval of Assignment. Developer will not, prior to the issuance of the Certification of Completion, make any sale, assignment, conveyance or lease of any trust or power, or transfer in any other form with respect to this Agreement or the Property, without the prior written approval of the City. Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer, and if the proposed transfer relates to a part of the Property, such obligations to the extent that they relate to such part. Any proposed transferee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the City, assume all of the obligations of Developer under this Agreement and agree to be subject to all the conditions and restrictions to which Developer is subject (or, in the event the transfer is of or relates to part of the Property, such obligations, conditions and restrictions to the extent that they relate to such part). The consent of the City to an assignment or transfer in any one case shall not relieve Developer or the transferee of the obligation to obtain the consent of the City for any additional assignments or transfers.

18.05 Consideration for Assignment. Prior to the City's approval of any assignment pursuant to Section 18.04, Developer shall certify to the City that the consideration paid for the transfer of any of Developer's interest in this Agreement or the Property does not exceed an amount representing the actual cost (including carrying charges) incurred by Developer for the purchase of the Property and the construction of any Improvements on the Property (or allocable to the part or interest transferred); it being the intent of this Section to preclude assignment of this Agreement or transfer of the Property for profit prior to the issuance of the Certificate of Completion. In the event Developer transfers any such interest at a profit, said profit shall belong to and forthwith be paid to the City.

18.06 Limitation Upon Encumbrance of Property. Prior to the completion of the Improvements, as certified by the City, neither Developer nor any successor in interest to the Property or any part thereof shall engage in any financing or any other transaction creating any mortgage or other Encumbrance upon the Property, whether by express agreement or operation of law, or suffer any Encumbrance to be made on or attach to the Property, except for the purposes of obtaining funds only to the extent necessary to purchase the Property and make the Improvements. Developer (or successor in interest) shall notify the City in advance of any financing, secured by mortgage or other similar lien instrument, it proposes to enter

into with respect to the Property or any part thereof and shall promptly notify the City of any Encumbrance that has been created on or attached to the Property, whether by voluntary act of Developer or otherwise.

18.07 Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of this Agreement, including, but not limited to, those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement (including any such holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including any other party who thereafter obtains title to the Property or such part from or through such holder or any other purchaser at foreclosure sale other than the holder of the mortgage itself) shall not be obligated by the provisions of this Agreement to construct or complete the Improvements or to guarantee such construction or completion; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder; provided, that nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or permitted in the Development Plan and this Agreement.

18.08 Copy of Notice of Default to Mortgagee. Whenever the City shall deliver any notice or demand to Developer with respect to any Default by Developer in its obligations or covenants under this Agreement, the City shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by this Agreement at the last address of such holder shown in the records of the City.

18.09 Mortgagee's Option to Cure Default. After any Default referred to in Article 15 hereof, each such holder shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy such Default (or such Default to the extent that it relates to the part of the Property covered by its mortgage) and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided, that if the Default is with respect to construction of the Improvements, nothing contained in this Section or any other Section of this Agreement shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Improvements (beyond emergency measures necessary to conserve or protect Improvements or construction already made) without first having expressly assumed the obligation to the City, by written agreement satisfactory to the City, to complete, in the manner provided in this Agreement, the Improvements on the Property or the part thereof to which the lien or title of such holder relates. Any such holder who shall properly complete the Improvements relating to the Property or applicable part thereof shall be entitled, upon written request made to the City, to a Certificate of Completion with respect thereto.

18.10 City's Option to Pay Mortgage Debt or Purchase Property. In any case where, subsequent to the Default by Developer (or successor in interest) under this Agreement, the holder of any mortgage on the Property or part thereof: (i) has, but does not exercise, the option to construct or complete the Improvements relating to the Property or part thereof covered by its mortgage or to which it has obtained title, and such failure continues for a period of sixty (60) days after the holder has been notified or informed of the Default; or (ii) undertakes construction or completion of the Improvements but does not complete such construction within the period as agreed upon between the City and such holder (which period shall in any event be at least as long as the period prescribed for such construction or completion in this Agreement), and such Default shall not have been cured within sixty (60) days after written demand by the City so to do, then the City shall (and every mortgage instrument made prior to completion of the Improvements with respect to the Property by Developer or successor in interest shall so provide) have the option of paying to the holder the amount of the mortgage debt and securing an assignment of the

mortgage and the debt secured thereby, or, in the event ownership of the Property (or part thereof) has vested in such holder by way of foreclosure or action in lieu thereof, the City shall be entitled, at its option, to a conveyance to it of the Property or part thereof (as the case may be) upon payment to such holder of an amount equal to the sum of: (i) the mortgage debt at the time of foreclosure or action in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings); (ii) all expenses with respect to the foreclosure; (iii) the net expense, if any (exclusive of general overhead), incurred by such holder in and as a direct result of the subsequent management of the Property; (iv) the costs of any Improvements made by such holder; and (v) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence.

18.11 City's Option to Cure Mortgage Default. In the event of a default or breach during the Agreement Term by Developer, or any successor in interest, in or of any of its obligations under, and to the holder of, any mortgage or other instrument creating an Encumbrance upon the Property or part thereof, the City may at its option cure such default or breach, in which case the City shall be entitled, in addition to and without limitation upon any other rights or remedies to which it shall be entitled by this Agreement, operation of law, or otherwise, to reimbursement from Developer or successor in interest of all costs and expenses incurred by the City in curing such default or breach and to a lien upon the Property (or the part thereof to which the mortgage or Encumbrance relates) for such reimbursement; provided, that any such lien shall be subject always to the lien of (including any lien contemplated because of advances yet to be made) any then existing mortgages on the Property authorized by this Agreement.

18.12 Mortgage and Holder. For the purposes of this Agreement, the term “**mortgage**” shall include a deed of trust or other instrument creating an encumbrance or lien upon the Property, or any part thereof, as security for a loan. The term “**holder**” in reference to a mortgage shall include any insurer or guarantor of any obligation or condition secured by such mortgage or deed of trust, including, but not limited to, the Federal Housing Commission, the Administrator of Veterans Affairs, and any successor in office of either such official.

ARTICLE 19. INDEMNITY

19.01 Developer Indemnifications. Developer agrees to and shall indemnify and save harmless the City, its agents and employees against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including without limitation, fees and expenses of attorneys, whether inside or outside counsel, expert witnesses and other consultants) that may be imposed upon, incurred by or asserted against the City by reason of any of the following occurring during the term of this Agreement:

- a. any negligent or tortious act or omission of Developer or its Associates resulting in personal injury, bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use therefrom; or
- b. any failure by Developer or its Associates to perform their obligations either implied or expressed under this Agreement.

Developer also agrees to hold the City harmless from any and all injury to the person or damage to the property of, or any loss or expense incurred by, an employee of the City which arises out of or pursuant

to Developer's activities under this Agreement or any contract entered into by Developer in connection therewith unless such loss or injury is caused by the City's gross negligence or willful misconduct.

19.02 Defense of Claims. In the event any action or proceeding shall be brought against the City by reason of any claim covered hereunder, Developer, upon notice from the City, will at its sole cost and expense, resist and defend the same, using legal counsel reasonably acceptable to the City.

19.03 Safeguarding Property. Developer agrees that it is its responsibility and/or that of its Associates and not the responsibility of the City to safeguard the property and materials that Developer or its Associates use or have in their possession while performing under this Agreement. Further, Developer agrees to hold the City harmless for any loss of such property and materials used by any such persons pursuant to the performance of this Agreement or which is in their possession.

19.04 Non-Liability of the City. From and after the date of Closing, the City shall not be responsible or liable to Developer, and Developer hereby releases the City from liability, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying any part of the Property. From or after the date of Closing or the date Developer takes possession of the Property, whichever is earlier, Developer shall be solely responsible for all injuries to persons and property resulting from any accident, explosion, leak or other cause arising in or about the use of the Property and its appurtenances, as hereinbefore stated. The City shall not be responsible for any loss or damage resulting to Developer or its property or to any other person or persons on their property which may be caused by the bursting, stopping, or leaking of water, gas, sewer or steam pipes or from overflow or backing up of any sewer or water main, unless caused by the City's gross negligence or willful misconduct.

19.05 Hazardous Materials.

a. Representations and Warranties. Notwithstanding anything to the contrary which may be contained in this Agreement, Developer represents, warrants and covenants to the City as follows:

1. Developer shall not directly or indirectly use the Property for the purpose of storing Hazardous Materials, nor shall Developer directly or indirectly use the Property in a manner which will cause or increase the likelihood of causing the release of Hazardous Materials onto the Property, other than those Hazardous Materials which are necessary and commercially reasonable for the conduct of Developer's business operated on the Property and which Hazardous Materials have been at all times prior to the date hereof, and at all times hereafter shall be, handled and disposed of in compliance with all Relevant Environmental Laws (as defined in Subsection 19.05b1 below) and industry standards and in a commercially reasonable manner by Developer.

2. Developer is not aware of any claims or litigation, and has not received any communication from any person (including any governmental authority), concerning the presence or possible presence of Hazardous Materials at the Property or concerning any violation or alleged violation of the Relevant Environmental Laws respecting the Property, other than as disclosed to Developer by the City or as disclosed in or as a result of the tests, surveys and investigations performed under Section 7.01 above. Developer shall promptly notify the City of any such claims and shall furnish City with a copy of any such communications received by Developer. To the best of Developer's knowledge, there are no underground storage tanks located on the Property, other than as disclosed in or as a result of the tests, surveys and investigations performed under Section 7.01.

3. Developer shall notify the City promptly and in reasonable detail in the event that Developer becomes aware of or suspects the presence of Hazardous Materials or a violation of the Relevant Environmental Laws at the Property.

4. From and after the date of Closing, Developer shall ensure that the Property complies and continues to comply in all respects with the Relevant Environmental Laws.

5. If the Property is used or maintained so as to subject Developer, the City or the user(s) of the Property to a claim of violation of the Relevant Environmental Laws (unless contested in good faith by appropriate proceedings), Developer shall immediately cease or cause a cessation of those aspects of the use or operations causing the violation and shall remedy and cure in compliance with the Relevant Environmental Laws any conditions arising therefrom at its own cost and expense.

b. Definitions.

1. “**Relevant Environmental Laws,**” as referred to herein, shall mean all applicable federal, state, and local laws, rules, regulations, orders, judicial determinations, and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, whether in the past, the present or the future, with respect to:

(a) the installation, existence, or removal of, or exposure to, Asbestos on the Property.

(b) the existence on, discharge from, or removal from the Property of Hazardous Materials.

(c) the effects on the environment of the Property or of any activity now, previously, or hereafter conducted on the Property.

Relevant Environmental Laws shall include, but are not limited to, the following: (i) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Sections 9601, *et seq.*; the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 USC Sections 6901, *et seq.*; the National Environmental Policy Act, 42 USC Section 4321; the Safe Drinking Water Act, 42 USC Sections 300F, *et seq.*; the Toxic Substances Control Act, 15 USC Section 2601; the Hazardous Materials Transportation Act, 49 USC Section 1801; the Federal Water Pollution Control Act, 33 USC Sections 1251, *et seq.*; the Clean Air Act, 42 USC Sections 7401, *et seq.*; and the regulations promulgated in connection therewith; (ii) Environmental Protection Agency regulations pertaining to Asbestos (including 40 CFR Part 61, Subpart M); Occupational Safety and Health Administration Regulations pertaining to Asbestos (including 29 CFR Sections 1910.1001 and 1926.58) as each may now or hereafter be amended; and (iii) any state and local laws and regulations pertaining to Hazardous Materials and/or Asbestos.

2. “**Asbestos,**” as referred to herein, shall have the meanings provided under the Relevant Environmental Laws and shall include, but not be limited to, asbestos fibers and friable asbestos as such terms are defined under the Relevant Environmental Laws.

3. “**Hazardous Materials,**” as referred to herein, shall mean any of the following as defined by the Relevant Environmental Laws: Asbestos; hazardous wastes; solid wastes; toxic or hazardous substances,

wastes, or contaminants (including, but not limited to, polychlorinated biphenyls (PCB's), paint containing lead, and urea formaldehyde foam insulation), and discharges of sewage or effluent.

c. Developer's Obligations. At its sole cost and expense, Developer shall:

1. Pay immediately when due the cost of compliance with the Relevant Environmental Laws resulting directly or indirectly out of Developer's use, possession, or development of the Property.
2. Keep the Property free of any lien imposed pursuant to the Relevant Environmental Laws resulting directly or indirectly out of Developer's use, possession, or development of the Property.

d. City's Options. If Developer fails to comply with the requirements of this Section after notice to Developer and the earlier of the expiration of any applicable cure period hereunder, the expiration of the cure period permitted under the Relevant Environmental Laws, if any, or such earlier time if the City determines that life, person or property is in jeopardy, the City may, but shall not be obligated to, exercise its right to: (i) declare that such failure constitutes an Event of Default under Article 15 herein; and/or (ii) take any and all actions, at Developer's expense, that the City deems necessary or desirable to cure said failure of compliance.

e. Release and Indemnity. The City shall give Developer the opportunity to inspect the Property and conduct such environmental assessments and testing as Developer has deemed appropriate. The City shall not be liable to Developer for, and Developer, for itself and its successors and assigns, hereby releases the City from, any and all liability for any violation or alleged violation of the Relevant Environmental Laws respecting the Property, whether such alleged violation occurred before or after Closing and the transfer of possession to Developer. The City shall not be liable for, and Developer shall immediately pay to the City when incurred and shall indemnify, defend and hold the City harmless from and against, all loss, cost, liability, damage and expense (including, but not limited to, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that the City may suffer or incur as a result of or in connection in any way with any violation of the Relevant Environmental Laws occurring after the Closing or the date of transfer of possession, whichever is earlier, any environmental assessment or study from time to time undertaken or requested by Developer or City, or breach of any covenant or undertaking by Developer in this Section; provided, however, Developer shall have no obligation to the City with respect to: (i) indemnified liabilities arising solely from the gross negligence or willful misconduct of the City; or (ii) conditions or Hazardous Materials existing at the earlier of the time of Closing or the date of transfer of possession. Developer shall bear the burden of proof regarding the date that any alleged violation of the Relevant Environmental Laws occurred or any condition existed.

f. Survival. The provisions of this Section shall survive the termination of this Agreement.

g. Breach. Breach of any of the representations, warranties and/or covenants contained in this Article shall be a default under this Agreement; provided, however, that no breach shall be deemed to have occurred so long as, upon becoming aware of a possible breach, Developer proceeds to reasonably investigate and remedy in compliance with the Relevant Environmental Laws the matter giving rise to the possible breach.

h. Assignment of Cause of Action. The City shall, upon request of Developer, convey, assign and transfer to Developer any claim or cause of action the City may have against others in connection with any liability against which Developer has fully indemnified the City (including payment) under this Agreement.

ARTICLE 20. ADMINISTRATION

20.01 Developer Personnel. Developer represents and warrants that all Developer personnel and agents and the personnel and agents of its Associates are fully qualified and authorized to perform the functions and duties assigned them under Federal, State and Local laws and governing professional association rules, if any, where such persons are employed.

20.02 Inspection by City. The City may in its sole discretion assign City employees to go on the Property to inspect the work performed by Developer or on Developer's behalf upon reasonable notice to Developer. Developer and any Associates shall cooperate fully with any City employee designated to conduct any on-site inspection or who is assigned to review relevant documents concerning the Project or construction of the Improvements.

20.03 Independent Contractor Relationship. The relationship of Developer to the City is and shall continue to be that of an independent contractor relationship, and no liability or benefits, such as worker's compensation, pension rights or liabilities, insurance rights or liabilities or other provisions or liabilities, arising out of or related to a contract for hire or employer/employee relationship, shall arise or accrue to either party or either party's agent or employee with respect to the City as a result of the performance of this Agreement, unless expressly stated in this Agreement. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto; it being understood and agreed that none of the provisions contained herein, nor any acts of the parties herein, shall be deemed to create any such relationship between the parties.

20.04 Waiver. Developer shall not hold the City liable for any personal injury incurred by an employee, agent or consultant of itself, its Affiliates or its Associates which is not held in a court of competent jurisdiction to be directly attributable to the gross negligence of the City or any employee of the City acting within the scope of his or her employment. Developer hereby agrees to and shall hold the City harmless from any such claim by Developer, its employees, agents, or consultants and/or those of its Associates and Affiliates.

ARTICLE 21. COMPLIANCE WITH LAWS AND REGULATIONS

21.01 Compliance. Developer shall comply with, and shall require in all its contracts with Associates that Associates comply with, all applicable laws, ordinances or other regulations imposed by any properly constituted governmental authority, including without limitation Executive Order No. 22 and Executive Order No. 4. Developer shall require as part of any contracts issued pursuant to this Agreement that any Associate engaged by Developer shall comply with all such applicable laws, ordinances and regulations.

21.02 Intellectual Property. Developer represents and warrants that any products sold or processes used in the performance of this Agreement do not infringe upon or violate any patent, copyright, trademark, trade secret or any other proprietary rights of any third party. In the event of any claim by any third party against the City, the City shall promptly notify Developer and Developer shall defend such claims in the

City's name, but at Developer's expense, using legal counsel reasonably acceptable to the City, and shall indemnify the City against any loss, costs, expense or liability arising out of such claim, whether or not such claim is successful.

21.03 Right To Examine Books. Nothing contained herein shall be construed or permitted to operate as any restriction upon the power granted to the City Council by the City Charter to audit all accounts chargeable against the City. Pursuant hereto the City shall have the right to examine and audit all books, records, documents, and other such supporting data of Developer with respect to the Project as the City may deem necessary.

ARTICLE 22. AMENDMENTS

22.01 Form. Any change, addition, deletion, extension or modification of this Agreement (including assignments) that is mutually agreed upon by and between the City and Developer shall be incorporated in a written amendment (herein called “**Amendment**”) to this Agreement. Such Amendment shall not invalidate this Agreement nor relieve or release Developer of any of its obligations under this Agreement unless stated therein. Notwithstanding the above, P&DD approval is required for material changes in the Construction Plans pursuant to Section 10.02 of this Agreement.

22.02 Binding Effect. No Amendment to this Agreement shall be effective and binding upon the parties unless it expressly makes reference to this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of both parties. To be effective against the City, the Amendment must be authorized as set forth in Section 25.16 of this Agreement.

ARTICLE 23. FAIR EMPLOYMENT PRACTICES

23.01 Compliance. Developer shall comply with, and shall require in all its contracts with Associates that Associates comply with, all applicable laws, ordinances or other regulations imposed by any properly constituted governmental authority, including without limitation by virtue of this enumeration: (a) Americans with Disabilities Act (“ADA”) and Michigan Department of Transportation (“MDOT”) accessibility and construction requirements for sidewalks and curb cuts and ramps, and (b) City of Detroit Executive Order No. 2007-1 and Executive Order No. 2003-4. Developer shall require, as part of any contracts issued pursuant to this Agreement, that any Associate engaged by Developer shall comply with all such applicable laws, ordinances and regulations.

23.02 Non-Discrimination. Developer covenants that it shall not discriminate against any employee or applicant for employment, training, education, or apprenticeship connected directly or indirectly with the performance of this Agreement, with respect to his or her hire, promotion, job assignment, tenure, terms, conditions or privileges of employment because of religion, race, color, creed, national origin, age, marital status, handicap, public benefit status, sex, or sexual orientation. This provision shall not apply if it is determined by the City Human Rights Department that such requirements are *bona fide* occupational qualifications reasonably necessary to performance of the duties required for employment. The burden of proof that the occupational qualifications are bona fide is upon Developer. Developer shall promptly furnish any information required by the City or its Human Rights Department pursuant to this Section 23.02.

23.03 Associate Notification. Developer further agrees that it shall notify any Associate of its obligations relative to non-discrimination under this Agreement when soliciting same and shall include the provisions of this Article 23 in any subcontract as well as provide the City a copy of any such subcontract upon request. Developer further agrees to take such action with respect to any such subcontract as the City may direct as a means of enforcing the provisions of this Article 23 and Article 21.

23.04 Breach. Breach of the terms and conditions of this Article shall be regarded as a material breach of this Agreement.

23.05 Remedies upon Breach. If Developer fails to comply with the preceding section and/or with any of the rules, regulations or orders as issued by the City’s Human Rights Department, the City, at its option, may:

- a. Cancel, terminate or suspend this Agreement in whole or in part.
- b. Recover from Developer an amount of \$100.00 per day, as liquidated damages and not as a penalty, for each day that Developer fails to comply with the preceding section as determined by the City’s Human Rights Department in accordance with its rules and regulations; said sum being fixed as negotiated and agreed upon by and between the City and Developer because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City would sustain in the event of such a breach of contract, and agreed to be the amount of damages that the City would sustain.
- c. Utilize such other remedies as may be provided by law.

ARTICLE 24. NOTICES

24.01 Addresses. Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (herein collectively called “**Notices**”) required or permitted under this Agreement shall be given in writing and personally delivered with receipt obtained, or mailed by registered or certified first-class mail, return receipt requested, addressed as follows:

If to the City: Director
Planning & Development Department
2300 Cadillac Tower
Detroit, Michigan 48226

With a copy to: Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Ste. 500
Detroit, MI 48226

If to Developer: _____

24.02 Date of Notice. All notices shall be deemed given when hand-delivered or, if mailed, on the day of mailing. Either party to this Agreement may change its address for the receipt of Notices at any time by giving notice thereof to the other as provided in Section 24.01. Any Notice given by a party hereunder must be signed by an authorized representative of such party.

ARTICLE 25. MISCELLANEOUS

25.01 Standard of Performance. This Agreement shall be conscientiously performed by Developer in all particulars, and in accordance with the highest professional and legal standards, including, but not limited to, architectural and engineering standards and construction safety standards, municipal and federal fair employment practice standards, etc. Developer shall not perform any act directly or indirectly that would act to subvert or otherwise circumvent any of the terms and conditions contained herein. If there is any dispute between the parties with regard to the requirements of the Development Plan or the terms and conditions of this Agreement, the reasonable interpretation and determination of the City shall govern.

25.02 Conferences. Developer hereby agrees to meet at reasonable times with duly authorized City representatives, upon the City's request to discuss any aspect of this Agreement during the term of this Agreement.

25.03 Severability. If any one or more provisions of this Agreement or in any instrument or other document delivered pursuant to this Agreement or the application thereof to any person or circumstance shall to any extent be declared or determined to be invalid or unenforceable, the validity, legality and enforceability of the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected or impaired thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25.04 Entire Agreement. This instrument, including the exhibits listed in Section 1.03 which are attached hereto and which are made a part of this Agreement, contains the entire agreement between the parties and all prior negotiations and agreements are merged herein. Developer acknowledges that neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by Developer by implication or otherwise unless expressly set forth herein.

25.05 Terminology. Unless the context otherwise expressly requires, the words “herein”, “hereof”, and “hereunder”, and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision.

25.06 Covenants and Conditions. All the terms and provisions of this Agreement shall be deemed and construed to be “covenants” and “conditions” as though the words specifically expressing or imparting covenants and conditions were used in each separate term and provision.

25.07 Captions. The headings of the Articles, Sections and other subdivisions in this Agreement are for convenience only and shall not be used to construe or interpret the scope or intent of this Agreement or in any way affect the same.

25.08 Cumulative Remedies; Jurisdiction; Venue. The rights and remedies of the City set forth herein are not exclusive and are in addition to any of the rights and remedies provided by law or equity; provided, however, that if the City breaches any of its obligations under this Agreement, then, after reasonable notice and opportunity to cure, Developer shall have the right solely to seek injunctive relief, specific performance or other equitable remedies for the City's breach of this Agreement, and in no event shall Developer be entitled to monetary damages, except for the return of the Advance, as a result of the City's breach of this Agreement. All actions arising under this Agreement shall be governed by, subject to, and construed according to the laws of the State of Michigan. Developer agrees, consents and submits to the personal jurisdiction of any competent court in Wayne County, Michigan for any action brought against it arising out of this Agreement. Developer agrees that service of process at the address and in the manner specified in Article 24 will be sufficient to put Developer on notice. Developer also agrees that it will not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction interpretation and enforcement of this Agreement, in any courts other than those in the County of Wayne, State of Michigan. Developer agrees to obtain a similar covenant from any Associate with respect to any contracts issued in pursuance of this Agreement.

25.09 Affiliates. If any Affiliate of Developer shall take any action which, if done by Developer would constitute a breach of this Agreement, the same shall be deemed a breach by Developer, subject to the notice and cure provisions of this Agreement.

25.10 Force Majeure. In the event of enforced delay in the performance by either party of obligations under this Agreement due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God or of the public enemy, acts of the government, acts of the other party, fires, floods, epidemics, or severe weather, the time for performance of such obligations shall be extended for the period of the enforced delays; provided that the party seeking the benefit of the provisions of this Section shall within thirty (30) days after the beginning of such enforced delay, have first notified the other party in writing of the causes thereof and requested an extension for the period of the enforced delay. In the event that there is any dispute as to what constitutes such *force majeure* event, the determination of the City shall be controlling.

25.11 Provisions Not Merged With Deed. No provision of this Agreement is intended to or shall be merged by reason of any Deed transferring title to the Property from the City to Developer or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

25.12 Residential Construction. If the Improvements to be constructed by Developer involves residential construction, the following provisions shall apply:

- a. Developer agrees to comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 37 CFR Parts 22732-3 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.
- b. Developer agrees that if the Property is situated in an area identified by HUD as subject to special flood hazards, and in which the sale of flood insurance has been authorized under the National Flood Insurance Act of 1968 (unless the Improvements to be constructed on the Property will be covered under an adequate State policy of self-insurance satisfactory to the Secretary of HUD), Developer and its successors and

assigns shall keep the Improvements now existing or hereafter erected on the Property insured, during their anticipated economic or useful life, under the national flood insurance program in an amount at least equal to the development cost of the Property (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of Property under the National Flood Insurance Act of 1968, whichever is less. Prior to conveyance of the Property to Developer by the City, Developer shall furnish the City a copy of a flood insurance policy specifying such coverage or a binding commitment to provide such a policy; provided, that if such coverage is not available to Developer at the time of conveyance, Developer shall furnish such evidence of insurance within fifteen (15) days of the date it becomes available.

25.13 Counterparts. This Agreement may be executed in counterparts each of which shall be deemed to be an original document but together shall constitute one instrument.

25.14 Singular and Plural, etc.. As used herein, the singular include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

25.15 Time of the Essence. Time is of the essence of this Agreement.

25.16 Authority of City. Notwithstanding anything in this Agreement or otherwise to the contrary, the City shall not be authorized or obligated to sell the Property to Developer until this Agreement has been fully executed by the duly authorized representative of the City pursuant to the resolution of the Detroit City Council as approved by the Mayor of the City of Detroit, and approved by the City of Detroit Law Department. Any amendments or modifications must likewise be duly authorized by resolution of the City Council as approved by the Mayor, and be approved by the Law Department.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Signatures on following page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

WITNESSES:

DEVELOPER

Print:

By:

Print:

Its: _____

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me on _____, 20__ by
the _____ of _____, a _____,
on behalf of said _____.

Print:
Notary Public, Wayne County, Michigan
My commission expires:
Acting in the County of _____

WITNESSES:

CITY OF DETROIT,
a Michigan public body corporate

By: _____

Print:

Print: _____

Its: _____

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me on _____, 20__ by _____,
the _____ of the City of Detroit, a Michigan public body corporate, on
behalf of the City.

Print:
Notary Public, Wayne County, Michigan
My commission expires:
Acting in the County of _____

Pursuant to § 18-5-4 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this instrument.

Finance Director

Approved by City Council on _____

Approved by the Mayor on _____

Approved by Corporation Counsel pursuant to §7.5-206 of the 2012 Charter of the City of Detroit.

Corporation Counsel

Drafted by and when recorded return to:

City of Detroit
Planning & Development Department
Real Estate Development Division
65 Cadillac Square, Suite 2000
Detroit, MI 48226

EXHIBIT A
LEGAL DESCRIPTION

Description CORRECT
ENGINEER OF SURVEYS
BY: _____ DATE:

Street Address[es]:

Property Tax Ward & Item numbers:

EXHIBIT B
SITE PLAN SUMMARY

EXHIBIT C

QUIT CLAIM DEED

Subject to the following paragraph, the City of Detroit, a Michigan public body corporate whose address is 2 Woodward Avenue, Detroit, MI 48226 (“Grantor”), quit claims to _____ (“Grantee”), whose address is _____, the premises located in the City of Detroit, Wayne County, Michigan, described as:

A/K/A _____ Ward: _____ Item(s):

(the “Property”), for the sum of _____ (\$ _____), subject to and reserving to the City of Detroit its rights under public easements and rights of way, easements of record, applicable zoning ordinances, development plans pursuant to Act 344 of 1945 as amended (if any), and restrictions of record.

This Deed is given subject to the terms, covenants and conditions of an Agreement to Purchase and Develop Land dated _____, 20__ entered into by the parties hereto and which is incorporated herein by reference and recorded on _____, 20__ in the Office of the Register of Deeds for the County of Wayne in Liber _____ on Pages _____ through _____ inclusive, none of the terms, covenants and conditions of which shall be deemed merged in this Deed. The covenants therein recited to be covenants running with the land are hereby declared to be covenants running with the land enforceable by the City as therein set forth. If the Property is rented for residential occupancy, the Property must be registered as a rental property pursuant to Ordinance 579-H (Detroit City Code § 26-5-42.5.)

The following language is included pursuant to MCL Sections 560.109(3) and 560.109(4), added by 1996 PA 591, and applies only if the Property is not platted: “The Grantor grants to the Grantee the right to make all divisions under Section 108 of the land division act, Act No. 288 of the Public Acts of 1967, as amended. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.”

This deed is dated as of _____.

WITNESSES:
corporate

CITY OF DETROIT, a Michigan public body

Print:
Print:

By:

Print:

Its:

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me on _____, 20____, by
, the _____ of the City of Detroit, a Michigan public body corporate,
on behalf of the City.

Print:
Notary Public, Wayne County, Michigan
My commission expires:
Acting in the County of _____

Pursuant to § 18-5-4 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this instrument. _____ Finance Director	Approved by City Council on _____ Approved by Mayor on _____
--	---

Approved by Corporation Counsel pursuant to §7.5-206 of the 2012 Charter of the City of Detroit. _____ Corporation Counsel
--



This Instrument drafted by:

When recorded, return to:

City of Detroit Law Department
2 Woodward Avenue, Suite 500
Detroit, MI 48226

Exempt from transfer taxes pursuant to MCL § 207.505(h)(i) and MCL § 207.526(h)(i).

EXHIBIT D

IRREVOCABLE POWER OF ATTORNEY

_____, a Michigan _____ (herein called the "Principal"), whose address is _____ does hereby nominate, constitute and appoint the Corporation Counsel for the City of Detroit as its true and lawful attorney-in-fact, with full power and authority hereby conferred to execute in its name and on its behalf one or more deeds (herein called the "Deeds") conveying the Property (as more particularly described in Exhibit A hereto) to the City of Detroit upon a default by the Principal in the terms and conditions of a certain Agreement to Purchase and Develop Land (herein called the "Agreement") entered into between the City of Detroit and the Principal on or about .

Upon such uncured default by the Principal as specified in the Agreement, and recording of a notice of default by the City, all rights and interest to and in the Property shall automatically vest back in the City and the City shall have the power upon the execution of this irrevocable Power of Attorney to execute on behalf of the Principal one or more Deeds conveying all rights, title and interest to and in the Property to the City.

Pursuant to the terms hereof, the Corporation Counsel shall have the power to bind the Principal thereby as fully and to the same extent as if such Deeds were signed by the duly authorized officers of the Principal, and all the acts of said attorney, pursuant to the authority herein given, are hereby ratified and confirmed. This Power of Attorney is coupled with an interest and is irrevocable by Principal, or its successors or assigns.

In witness whereof, Principal has caused this document to be signed by its duly authorized officer on .

WITNESSES:

"PRINCIPAL"

Print:

By: _____

Print: _____

Print:

Its: _____

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me on _____, by
, the _____ of _____, a
, on behalf of said _____.

Print:
Notary Public, Wayne County, Michigan
My commission expires:

Drafted by and when recorded return to:

City of Detroit
Planning & Development Department
Real Estate Development Division
65 Cadillac Square, Suite 2000
Detroit, MI 48226

Schedule I

CERTIFICATE OF AUTHORITY FOR PARTNERSHIP

I, _____ General Partner of _____,
a _____ Partnership (the “**Partnership**”)

DO HEREBY CERTIFY that I am a General Partner in the Partnership formulated pursuant to a Partnership Agreement dated _____, and that the following is a true and correct excerpt from the minutes of the meeting of the General Partnership held on _____, and that the same is now in full force and effect:

“That each General Partner is authorized to execute and deliver, in the name and on behalf of the Partnership any agreement or other instrument or document in connection with any matter or transaction with the City of Detroit that shall have been duly approved; the execution and delivery of any agreement, document, or other instrument by a General Partner to be conclusive evidence of such approval.”

I FURTHER CERTIFY that the following persons are General Partners:

I FURTHER CERTIFY that any of the aforementioned General Partners of the Partnership are authorized to execute or guarantee and commit the assets of the Partnership to the conditions, obligations, stipulations and undertakings contained in the attached Agreement, and that all necessary approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this _____ day of _____, 20__.

Print:
General Partner

Schedule I

CERTIFICATE OF AUTHORITY FOR CORPORATION

I, _____, Corporate Secretary of _____,
a _____ Corporation (the “Corporation”)

DO HEREBY CERTIFY that the following is a true and correct excerpt from [check appropriate box]

the minutes of a meeting of the Board of Directors of the Corporation duly called and held on

a consent in lieu of a meeting, with signed consents received from all of the Directors of the Corporation on

and that the same is now in full force and effect:

“RESOLVED, that the Chairman, the President, each Vice President, the Treasurer and the Secretary and each of them, are hereby authorized to execute and deliver, in the name and on behalf of the Corporation and under its corporate seal or otherwise, any agreement or other instrument or document in connection with any matter or transaction with the City of Detroit that shall have been duly approved; the execution and delivery of any agreement, document, or other instrument by any of such officers to be conclusive evidence of such approval.”

I FURTHER CERTIFY that

_____ is Chairman of the Board,

_____ is President,

_____ is Vice President,

_____ is Vice President,

_____ is Treasurer, and

_____ is Secretary.

I FURTHER CERTIFY that any of the aforementioned officers of the Corporation are authorized to execute or guarantee and commit the Corporation to the conditions, obligations, stipulations and undertakings contained in the attached Agreement, and that all necessary corporate approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this _____ day of _____, 20__.

Print:
Corporate Secretary

Schedule I

CERTIFICATE OF AUTHORITY FOR LIMITED LIABILITY COMPANY

I, _____, Manager of _____,
a _____ limited liability company (the “**Company**”)

DO HEREBY CERTIFY that the following is a true and correct excerpt from [*check appropriate box*]

- the minutes of a meeting of the Members of the Company duly called and held on
- a consent in lieu of a meeting, with signed consents received from all of the Members of the Company on or before the date hereof.

and that the same is now in full force and effect:

“RESOLVED, that any Manager of the Company, is hereby authorized to execute and deliver, in the name and on behalf of the Company, any agreement or other instrument or document in connection with any matter or transaction with the City of Detroit that shall have been duly approved; the execution and delivery of any agreement, document, or other instrument by any of such Managers to be conclusive evidence of such approval.”

I FURTHER CERTIFY that the following persons are Managers:

I FURTHER CERTIFY that any of the aforementioned Managers of the Company are authorized to execute or guarantee and commit the Company to the conditions, obligations, stipulations and undertakings contained in the attached Agreement, and that all necessary approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this _____ day of _____, 20__.

Print:
Manager