

Regular Meeting Of Lansing City Council

**Tony Benavides Lansing City Council Chambers
David C. Hollister Lansing City Hall
124 W. Michigan Avenue, 10th Floor
Lansing, Michigan**



Agenda for July 26, 2021 at 7:00 PM

TO THE HON. MAYOR AND MEMBERS OF THE CITY COUNCIL:

The following items were listed on the agenda in the City Clerk's Office in accordance with Section 3-103(2) of the City Charter and will be ready for your consideration at the regular meeting of the City Council at the Tony Benavides Lansing City Council Chambers, 10th Floor, City Hall.

ROLL CALL

MEDITATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF PRINTED COUNCIL PROCEEDINGS

1. July 12, 2021

CONSIDERATION OF LATE ITEMS (Suspension of Council Rule #9 is needed to allow consideration of late items. Late items will be considered as part of the regular portion of the meeting to which they relate.)

TABLED ITEMS

SPECIAL CEREMONIES and PRESENTATIONS

COMMENTS BY COUNCIL MEMBERS AND CITY CLERK

COMMUNITY EVENT ANNOUNCEMENTS (Time, place, purpose, or definition of event – 1 minute limit)

SPEAKER REGISTRATION FOR PUBLIC COMMENT ON LEGISLATIVE MATTERS

MAYOR'S COMMENTS

SHOW CAUSE HEARINGS

PUBLIC COMMENT ON LEGISLATIVE MATTERS (Legislative matters consist of the following items on the agenda: public hearings, resolutions, ordinances for introduction, and ordinances for passage. The public may comment for up to three minutes. Speakers must sign up on BLUE form.)

Public comments on Legislative Matters

SCHEDULED PUBLIC HEARINGS

COUNCIL CONSIDERATION OF LEGISLATIVE MATTERS

REFERRAL OF PUBLIC HEARINGS

ORDINANCES FOR PASSAGE

CONSENT AGENDA

2. Appointment; Semone James as the 1st Ward member of the Board of Water and Light for a term to expire June 30, 2025 (PEND-2581)
3. Appointment; Damon Milton as an At-Large member of the Board of Police Commissioners for a term to expire June 30, 2023 (PEND-2589)
4. City Council Meeting Schedule; Amend to remove the August 30, 2021 Meeting (PEND-2597)
5. Workers Compensation Settlement; Claim #2062876-00991 (PEND-2577)
6. Tri-County Office on Aging Fiscal Year 2022 Annual Implementation Plan (PEND-2579)

RESOLUTIONS FOR ACTION

7. Racial Justice and Equity Plan (PEND-2587)
8. Intergovernmental Agreement; Montgomery Drain Drainage District regarding the Red Cedar Development (PEND-2576)
9. Grant Acceptance; Cities for Financial Empowerment Fund (CFE Fund) Grant for integration of financial counseling with rental assistance from Capital Area Housing Partnership (PEND-2580)
10. Grant Acceptance; Bloomberg Philanthropies 2021 Global Mayors Challenge Champion City Grant (PEND-2583)
11. Collective Bargaining Agreement; Ratification of Teamsters Supervisory & Non-Supervisory Units for the period covering January 1, 2021 through December 31, 2021 (PEND-2606)

REPORTS FROM COUNCIL COMMITTEES

ORDINANCES FOR INTRODUCTION and Setting of Public Hearings

SPEAKER REGISTRATION FOR PUBLIC COMMENT ON CITY GOVERNMENT RELATED MATTERS

REPORTS OF CITY OFFICERS, BOARDS, AND COMMISSIONS;

COMMUNICATIONS AND PETITIONS; AND OTHER CITY RELATED MATTERS

(Motion that all items be considered as being read in full and that the proper referrals be made by the President)

Item(s) from the City Clerk re:

12. Minutes of Boards and Commissions placed on file in the Clerk's Office

Item(s) from the Mayor re:

13. Setting a Public Hearing in consideration of Tax Equity and Fiscal Responsibilities Act (TEFRA) Bond for the Lansing Charter Academy (PEND-2593)
14. Tax Equity and Fiscal Responsibility Act (TEFRA) Bond Approval for Lansing Charter Academy (PEND-2592)

15. Setting a Show Cause Hearing in consideration for a Orders to Make Safe or Demolish to the owners of property located at 125 E. Mt. Hope Avenue (PEND-2599)
16. Orders to Make Safe or Demolish to the owners of property located at 125 E. Mt. Hope Avenue (PEND-2598)
17. Introduction and Setting a Public Hearing in consideration of an Ordinance to establish a Payment in Lieu of Taxes (PILOT) for The Porter Apartments, located at 505 Townsend Street (PEND-2600)
18. Ordinance to establish a Payment in Lieu of Taxes (PILOT) for The Porter Apartments, located at 505 Townsend Street (PEND-2601)
19. Introduction and Setting a Public Hearing in consideration of an Ordinance to establish a Payment in Lieu of Taxes (PILOT) for The Apartments West, located at 519 W. Kalamazoo Street (PEND-2602)
20. Ordinance to establish a Payment in Lieu of Taxes (PILOT) for The Apartments West, located at 519 W. Kalamazoo Street (PEND-2603)
21. Introduction and Setting a Public Hearing in consideration of an Ordinance to establish a Payment in Lieu of Taxes (PILOT) for Walter French located at 1900 S. Cedar St. (PEND-2608)
22. Ordinance to establish a Payment in Lieu of Taxes (PILOT) for Walter French located at 1900 S. Cedar St. (PEND-2609)
23. Introduction and Setting a Public Hearing in consideration of an Ordinance to establish a Payment in Lieu of Taxes (PILOT) for Cedar Place located at 201 W. Jolly Rd. (PEND-2611)
24. Ordinance to establish a Payment in Lieu of Taxes (PILOT) for Cedar Place located at 201 W. Jolly Rd. (PEND-2610)
25. Fiscal Year 2020-2021 Emergency Carryforwards (PEND-2607)
26. Collective Bargaining Agreement; Ratification of Teamsters Supervisory & Non-Supervisory Units for the period covering January 1, 2021 through December 31, 2021 (PEND-2606)

Communications and Petitions

27. Michigan Municipal League Annual Meeting Notice
28. Notice from the Michigan Liquor Control Commission; MEENU 95 LLC request for transfer of ownership escrowed 2021 SDD and SDM licensed business with Sunday Sales Permit (AM/PM) at 6065 S Washington Ave. (RID # RQ-2106-05391)
29. Notice from the Michigan Liquor Control Commission; The Green Door Blue Bar and Grill, LLC request for Transfer Membership Interest and as a result, existing member Jonathan Woolston will hold 85% membership interest and existing member Jennifer Costigan will hold 15% membership interest, in conjunction with 2021 Class C and SDM licensed company with Sunday

Sales Permit (PM), Dance Permit and Outdoor Service (1 Area) located at 2005-2007-2009 E. Michigan Ave. (RID #2107-06437)

30. Communication from Dot Johnson about mowing Poxson Park and Brookland Boulevard

MOTION OF EXCUSED ABSENCE

REMARKS BY COUNCIL MEMBERS

REMARKS BY THE MAYOR OR EXECUTIVE ASSISTANT

PUBLIC COMMENT ON CITY GOVERNMENT RELATED MATTERS (City government related matters are issues or topics relevant to the operation or governance of the city. The public may comment for up to three minutes. Speakers must sign up on YELLOW form.)

Public comment on City government matters forms

Information regarding putting an election charter amendment on the November ballot

Letter and exhibits from Rank MI Vote regarding rank Choice Voting

Letter to Lisa Hagen City attorney from SOS Benson regarding ranked choice voting

ADJOURNMENT



Chris Swope, City Clerk

Persons with disabilities who need an accommodation to fully participate in this meeting should contact the City Clerk's Office at (517) 483-4131 (TTY 711). 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation request.



Public Comment on Legislative Matters Registration

*The City of Lansing welcomes and encourages public comment relating to City Legislative Matters. In order to facilitate public input, you **MUST** complete this card and submit it to the City Clerk or City Clerk Staff prior the close of registration as announced by the City Clerk.*

*Legislative matters consist of the following items on the agenda: **public hearings, resolutions, ordinances for introduction, and ordinances for passage.** The public may comment for up to three minutes*.*

Agenda Item Number(s) 9, 10 Item Description Grant Acceptances
Name (print) David Lambert E-Mail (optional) david@LMBERT.com
Address (street, city, zip) 1023 S. Holmes St
Company or organization represented, etc. (if applicable) _____
Signature [Signature]

- Public speakers will be called by the City Clerk. When the City Clerk recognizes you, please proceed to the speaker's podium and speak directly and clearly into the microphone. Do not touch the microphone.
- Direct your comments to the Council President.
- No speaker called upon to speak shall by speech or conduct disturb, disrupt, delay, interfere with, or otherwise impede the orderly conduct of the Council meeting.
- No personal attacks or defamatory remarks towards any person will be permitted.
- Questions raised during public comment may or may not be answered by the President, another Council Member, the Mayor, or member of the City Staff during the meeting.
- Time limit to address the council on legislative matters is **3 Minutes***.
- Spokespersons for a group or shared viewpoint are encouraged; however, a speaker's time limit may not be increased through assignment of someone else's time or opportunity to speak.
- No registrations will be accepted after the deadline as announced by the City Clerk.
- If you wish to submit written materials, please provide them to the City Clerk or City Clerk staff along with this form.
- The City Council conducts its open meetings in an orderly manner in accordance with the Open Meetings Act. Council meetings will not be conducted as interactive forums or "town meetings."

Thank you for your involvement and interest in our City,
Chris Swope, Lansing City Clerk, MiPMC / MMC

* *The Presiding Officer may reduce the amount of time for each speaker if he or she determines that the number of registered speakers is so numerous that the meeting cannot be timely concluded without a reduction in the time allocated for each speaker.*

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Agenda Item Number(s) 7 Item Description Racial Justice + Equity Pla
Name (print) Kyle Richard E-Mail (optional) 517 Kyle@gmail.com
Address (street, city, zip) 916 West St.

Company or organization represented, etc. (if applicable) _____

Signature Kyle Richard (Ri-shard)

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Agenda Item Number(s) 8 Item Description Montgomery Drain

Name (print) Loretta Stanaway E-Mail (optional) _____

Address (street, city, zip) 546 Armstrong Rd

Company or organization represented, etc. (if applicable) _____

Signature Loretta Stanaway

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Agenda Item Number(s) 7 Item Description RJ EP

Name (print) Michael Lynn E-Mail (optional) '

Address (street, city, zip) 1133 S. Washtenaw Ave

Company or organization represented, etc. (if applicable) _____

Signature _____

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Agenda Item Number(s) 7 Item Description RACIAL

Name (print) DAVID ODOM E-Mail (optional) _____

Address (street, city, zip) 5419 ST. MARYS CT

Company or organization represented, etc. (if applicable) _____

Signature _____

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RESOLUTION #2021-155

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has made the appointment of Semone James as the 1st Ward member of the Board of Water and Light for a term to expire June 30, 2025; and

WHEREAS, the nominee has been vetted by the Mayor's Office and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on July 26, 2021 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Semone James as the 1st Ward member of the Board of Water and Light for a term to expire June 30, 2025.

RESOLUTION #2021-156

BY THE COMMITTEE ON PUBLIC SAFETY
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has made the appointment of Damon Milton as an At-Large member of the Board of Police Commissioners for a term to expire June 30, 2023; and

WHEREAS, the nominee has been vetted by the Mayor's Office and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee on Public Safety took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Damon Milton as an At-Large member of the Board of Police Commissioners for a term to expire June 30, 2023.

RESOLUTION #2021-157

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, on December 7, 2020 City Council adopted Resolution 2020-238 to establish the Lansing City Council meeting dates for 2021; and

WHEREAS, August 30, 2021 is scheduled as a regular City Council meeting on Resolution 2020-038.

NOW THEREFORE BE IT RESOLVED, the Lansing City Council amends Resolution 2020-038 to remove the previously scheduled August 30, 2021 City Council Meeting.

THEREFORE BE IT FURTHER RESOLVED, the Committee of the Whole meeting for August 30, 2021 will be canceled.

RESOLUTION #2021-158

**BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING**

WHEREAS, it is proposed that a claim be resolved by virtue of entering into a settlement agreement with claimant 2062876-00991, in which, the City of Lansing would agree to pay Plaintiff the sum of Seventy-Nine Thousand, Nine Hundred Dollars (\$79,900.00) in exchange for a complete redemption and release of the City from any past, present, and future liability regarding any alleged injuries/illnesses whatsoever;

WHEREAS, the proposed settlement is recommended by the Mayor, the Department of Human Resources Director, the City of Lansing's Fund Administrator, and the City Attorney;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby approves the payment of Seventy-Nine Thousand, Nine Hundred Dollars (\$79,900.00) pursuant to said proposed settlement agreement as a full and final settlement of said action.

BE IT FINALLY RESOLVED that the City Attorney is authorized to prepare and execute the requisite documents to complete settlement of the aforementioned lawsuit.

RESOLUTION #2021-159

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Tri-County Aging Consortium, known as Tri-County Office on Aging, produced the Fiscal Year 2022 Annual Implementation Plan as required by the Older Americans Act and the Older Michiganians Act; and

WHEREAS, the Committee of the Whole met on July 26, 2021 and reviewed the document; and

WHEREAS, Lansing City Council met on July 26, 2021 and reviewed the Tri-County Office on Aging's Fiscal Year 2021 Annual Implementation Plan.

BE IT RESOLVED, that the Lansing City Council hereby approves said document.

RESOLUTION #2021-160

**BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING**

WHEREAS, in accordance with the Budget Resolution for Fiscal Year 2021/2022 passed on May 17, 2021, the Lansing City Council added the following language to the Budget Policies:

- Racial Justice and Equity Plan
- Subtract \$300,000 from Human Resources operating line and inserting a line NonDepartmental reading "Contingency for Racial Justice and Equity Plan" for \$300,000.

No expenditures will be made from this account until a plan to utilize these funds has been presented to City Council by the Mayor and that plan has been approved by the majority of Council. No expenditures will be made from this account until a plan to utilize these funds have been presented to City Council and approved by the majority of Council; and

WHEREAS, on June 7, 2021, at the Committee of the Whole Meeting, Director Kim Coleman, Director Linda Sanchez Gazella and MRJEA - Jonathon Butler, Esq. (Equity Manager, San Antonio, Texas) presented information on the Racial Justice and Equity Plan to Council; and

WHEREAS, On July 26, 2021, at the Committee of the Whole Meeting, Director Kim Coleman, Director Linda Sanchez Gazella and Paul Elam presented the remainder of the information to finalize recommendation to utilize the funds appropriated for Racial Justice and Equity Plan.

NOW THEREFORE BE IT RESOLVED THAT the Lansing City Council supports the expenditure of the funds as outlined in the plan.

NOW THEREFOR BE IT FURTHER RESOLVED THAT Council approves the Racial Justice and Equity Plan presented to City Council at the Committee of the Whole.

RESOLUTION #2021-161

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Montgomery Drain (“Drain”) is an intracounty drain located in Ingham County, established under Chapter 20 of the Michigan Drain Code, Public Act 40 of 1956, as amended (“Drain Code”), and under the jurisdiction of the Drainage Board; and

WHEREAS, the City and Ingham County petitioned for maintenance and improvement to the Montgomery Drain on May 20, 2014, and June 3, 2014; and

WHEREAS, the Drainage Board issued a Final Order of Determination on July 14, 2014, finding that the petition filed by the City and Ingham County were sufficient and that the proposed drain project (“Drain Project”) is practicable and should be constructed; and

WHEREAS, certain land known as the former Red Cedar Golf Course, currently being developed by Continental/Ferguson Development, LLC, pursuant to an Amended and Restated Real Estate Purchase and Development Agreement with the City dated July 23, 2018, as amended, and previously approved by Council, is located within the Drainage District’s Service Area and within the City of Lansing, (“Developer’s Parcel”), portions of which are to be dedicated for public benefit and use; and

WHEREAS, the City of Lansing owns certain land adjacent to Developer’s Parcel and located within the Drainage District in the City commonly known as Red Cedar Park, (“Park Property”); and said Park Property is subject to a Permanent Drain Easement recorded as Instrument 2016-016360 with the Ingham county Register of Deeds, held by the Drainage District in the area depicted in the attached Exhibit 2 (“Park Easement”); and

WHEREAS, certain public infrastructure will be constructed on portions of the Developer’s Parcel and in the Park Easement that will be dedicated or conveyed to the City or the Drainage District, including but not limited to, public street, water, sanitary sewer, sidewalk; pathway, sidewalk and parking improvements (the “Public Infrastructure”); and

WHEREAS, as part of the Drain Project, the Drainage Board has requested and the City has agreed that certain storm sewer improvements to be constructed on portions of the Developer’s Parcel and the Park Easement area will be dedicated as public storm sewer and established as portions of the Montgomery Drain and thereafter be maintained and improved as necessary by the Drainage Board (the “Drain Expansions”); and

WHEREAS, in an effort to minimize disruptions to the public and to take advantage of coordination of construction bidding, contracting, performance, oversight and financing, the City has requested that the Drain Project be expanded to include the design, acquisition and construction of the Public Infrastructure and the Drain Expansions as described and depicted in composite Exhibit 3 (together “Project Expansions”); and

WHEREAS, Sections 471 of the Drain Code (MCL 280.471) authorizes the Drainage Board to contract with public corporations in respect to any matter connected with the construction, operation, maintenance, use, or operation of the Drain; and

WHEREAS, Section 431 of the Drain Code (MCL 280.431) provides that the Drainage Board may contract or make arrangements with public corporations for the purpose of expanding any drainage project, provided the costs of such expanded project borne by the Drainage District not be in excess of the amounts which can be attributed solely to drainage and flood control; and

WHEREAS, the Municipal Partnership Act, 2011 PA 258, as amended (MCL 124.111 *et seq.*) authorizes the Drainage District and the City to enter into a joint endeavor to operate, maintain, repair, service, improve and replace portions of the Drain within the Drainage District; and

WHEREAS, pursuant to the above referenced statutory authority, the Drainage Board is willing to undertake the Project Expansions upon terms and conditions set forth in an agreement whereby the City would agree to pay for all of the benefits to accrue and for all costs and expenses incurred for the construction and financing of the Project Expansions (the "Drainage Board Agreement"); and

WHEREAS, the City will secure, by separate agreement with the owner(s) of the Developer's Parcel, that all costs required by the City to be paid for the Project Expansions and necessary administrative costs will be paid by the owner(s) of the Developer's Parcel through special assessment (the "Special Assessment Agreement").

NOW, THEREFORE BE IT RESOLVED that the Mayor and administration, on behalf of the City, may enter into the Drainage Board Agreement, but only after it has entered into the Special Assessment Agreement, subject to approval as to form by the City Attorney.

BE IT FINALLY RESOLVED that the Mayor and administration, on behalf of the City, may enter into the Special Assessment Agreement, subject to approval as to form by the City Attorney.

RESOLUTION #2021-162

**BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING**

WHEREAS, The City of Lansing was selected on June 1, 2020 to receive a Cities for Financial Empowerment Fund (CFE Fund) grant for “Financial Empowerment Center Expansion” as a COVID-19 Response. That grant was \$80,000 (See Resolution 2020-1); and

WHEREAS, The City of Lansing was invited to apply for another COVID-Response funding opportunity, “Eviction Prevention Boost Grant” from CFE Fund Eviction Prevention Boost Grant” to receive \$20,000 additional dollars and was one of the cities selected; and

WHEREAS, the CFE Fund grant was the result of a competitive proposal process, and the proposal was submitted by the Office of Financial Empowerment on May 14, 2021, approved on June 1, 2021, and will be received upon approval by Council and signed agreement;

WHEREAS, the CFE Fund grant supports the design of an integration of financial counseling through the Financial Empowerment Center with Rental Assistance from Capital Area Housing Partnership; and

WHEREAS, the award for \$20,000.00 does not require a local match;

NOW, THEREFORE, BE IT RESOLVED, The Lansing City Council approves acceptance of the Cities for Financial Empowerment Fund grant in the total amount of \$20,000.00 for the grant period beginning at council approval for the City of Lansing.

BE IT FINALLY RESOLVED, The Administration is authorized to create appropriate accounts and to make the necessary operating transfers for the expenditure and control of the balance of the grant funds.

RESOLUTION #2021-163

**BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY OF LANSING CITY COUNCIL**

Whereas, in early 2021, Bloomberg Philanthropies announced a worldwide competition known as the 2021 Global Mayors Challenge to encourage and spread promising ideas and the most important innovations generated in response to the global COVID-19 pandemic; and

Whereas, the competition will result in awarded grant prizes of varied amounts to cities to assist with the implementation of breakthrough ideas that can be shared with other cities facing the same challenges; and

Whereas, Lansing, through the Mayor's office, entered the worldwide competition proposing an innovative partnership with the Public Broadcasting System, local public media, universities, and other partners to create an online education platform, in-person opportunities, and other resources to reverse the learning loss in the pre-K through third grade population; and

Whereas, Bloomberg has announced the selection of 50 "Champion Cities" representing the boldest urban innovations of the past year from the 631 cities in 99 countries that presented applications; and

Whereas, the 50 Champion Cities selected by Bloomberg hail from 29 nations on 6 continents; and

Whereas, Lansing, USA, has been selected as a Champion City in the 2021 Global Mayors Challenge for its proposal which launches "cross-sectional partnerships to halt learning loss in children"; and

Whereas, this preliminary-phase designation in the competition entitles Lansing to receive up to \$50,000 as it continues its pursuit of one of fifteen grand prizes to be awarded in late 2021.

NOW, THEREFORE, BE IT RESOLVED, that the Lansing City Council hereby approves acceptance of the Bloomberg Philanthropies 2021 Global Mayors Challenge Champion City grant in the amount of up to \$50,000; and

BE IT FINALLY RESOLVED, that the Administration is authorized to create appropriate accounts and to make the necessary operating transfers for the expenditure and control of the awarded grant funds.

RESOLUTION #2021-164

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing and the Teamsters Local 214 Supervisory & Non-Supervisory Units have negotiated a collective bargaining agreement (the "CBA") for the period covering January 1, 2021 through December 31, 2021, which is summarized in the Tentative Agreement Document approved by the parties effective June 30, 2021 ("Tentative Agreement") and which contains the changes to the prior CBA; and

WHEREAS, the Union membership ratified this agreement on July 21, 2021; and

WHEREAS, the Mayor recommends the CBA, as summarized in the Tentative Agreement, be approved;

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby ratifies the Tentative Agreement of the parties for the CBA between the City of Lansing and the Union, Teamsters Local 214 Supervisory & Non-Supervisory Units for the period covering January 1, 2021 through December 31, 2021.



Chris Swope

Lansing City Clerk

July 23, 2021

Members of the Lansing City Council
10th Floor City Hall
Lansing, MI 48933

Dear Councilmembers:

The Minutes from the Meetings of the following Boards, Commissions, and Authorities of the City of Lansing were placed on file in the City Clerk's Office and are available for review in the City Clerk's Office and at the following website:
<http://lansingmi.gov/AgendaCenter>

BOARD NAME

DATE OF MEETING

Entertainment and Public Facilities Authority Board of Commissioners	May 25, 2021
Election Commission	June 4, 2021
Downtown Lansing Inc.	June 10, 2021
Board of Public Service	June 10, 2021
Tax Increment Finance Authority	June 4, 2021
Lansing Economic Development Corporation	June 4, 2021
Lansing Brownfield Redevelopment Authority	June 4, 2021
Historic District Commission	June 14, 2021
Board of Fire Commissioners	May 2021
Park Board	May 12, 2021
Police and Fire Retirement System	June 15, 2021
Employees' Retirement System	June 15, 2021

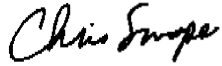
Lansing City Clerk's Office
Ninth Floor, City Hall, 124 W. Michigan Ave., Lansing, MI 48933-1695
517-483-4131 □ 517-377-0068 FAX
www.lansingmi.gov/clerk □ city.clerk@lansingmi.gov

Board of Police Commissioners

June 15, 2021

If my staff or I can provide further assistance or information relative to the filing of these minutes, please contact us at 483-4131.

Sincerely,

A handwritten signature in black ink that reads "Chris Swope". The signature is written in a cursive, flowing style.

Chris Swope, MMC/MiPMC
Lansing City Clerk

NOTICE OF PUBLIC HEARING

The City Council of Lansing will conduct a Public Hearing on [Date] at 7:00pm in the City Council Chambers on the 10th Floor of Lansing City Hall, located at 124 W. Michigan Avenue, in connection with the proposed issuance by The Industrial Development Authority of the County of La Paz (the “Authority”) of qualified 501(c)(3) bonds (the “Bonds”) as defined in section 145 of the Internal Revenue Code of 1986, as amended (the “Code”) in one or more series pursuant to a plan of finance. The hearing is being held pursuant to section 147(f) of the Code.

The Bonds will be issued for the project described below in an aggregate principal amount not to exceed \$12,500,000. **The funds in question do not involve City of Lansing funds, taxes or other financial resources. Further, this public hearing or any subsequent resolution of City Council does not affect any determination as to tax-exempt status by the City of Lansing Assessor pursuant to the Laws of the State of Michigan.**

Proceeds of the sale of the Bond which will be issued as qualified 501(3) bonds will be loaned by the Authority to Campus Partners 1 and its affiliates, all single member limited liability companies and disregarded entities of Campus Partners 1 (collectively, the “Borrower”) to be used to finance or reimburse all or a portion of the costs of a project that consists of (1) the acquisition and improvement of a public charter school facility (the “Charter School Facility”) identified below for use in its school operations at the location and in the estimated maximum principal amount listed below; (2) the funding of any required reserves; and (3) the payment of the costs of issuance of the Bonds. The Borrower will lease the Charter School Facility to qualified 501(c)(3) entities or governmental entities. The Charter School Facility will be owned by the Borrower as the initial legal owner.

<u>Charter School Facility</u>	<u>Location</u>	<u>Maximum Amount in location</u>
Lansing Charter Academy	3300 Express Court, Lansing, MI 48910-4370	\$12,500,000

All persons desiring to express an opinion about the proposed issuance of bonds by Industrial Development Committee of La Paz County to Lansing Charter Academy are invited to attend this public hearing or submit written comments.

If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8:00 am and 5:00 pm on City business days if received before 5:00pm, on the day of the Public Hearing at the City Clerk’s Office, 9th Floor, 124 W. Michigan Avenue, Lansing, MI 48933 or email city.clerk@lansingmi.gov.

This notice is published in accordance with, the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

DEBT FINANCINGS OF THE AUTHORITY ARE NOT OBLIGATIONS OF THE CITY OF LANSING, THE STATE OF MICHIGAN, OR ANY POLITICAL SUBDIVISION THEREOF.

CITY OF LANSING, MICHIGAN

RESOLUTION # _____
BY THE COMMITTEE _____
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, Campus Partners 1 (“CP1”), a non-profit corporation organized and existing under the laws of the State of Michigan that has applied to the Internal Revenue Service to be recognized as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which is exempt from federal taxation under Section 501(a) of the Code, has requested The Industrial Development Authority of the County of La Paz (the “Authority”), an Arizona nonprofit corporation designated a political subdivision of the State of Arizona, to issue its revenue bonds in one or more series pursuant to a plan of finance for the project described below within the County in an aggregate principal amount not to exceed \$12,500,000 (the “Bonds”) and to lend the proceeds thereof to CP1 and its affiliates, all single member limited liability companies and disregarded entities of CP1 (collectively, the “Borrower”) to be used to finance or reimburse all or a portion of the costs of a project (the “Project”) that consists of (1) the acquisition of and improvements to a public charter school facility (the “Charter School Facility”) identified below for use in its school operations at the location and in the estimated maximum principal amount listed below; (2) the funding of any required reserves; and (3) the payment of the costs of issuance of the Bonds. The Borrower will lease the Charter School Facility to qualified 501(c)(3) entities or governmental entities. The Charter School Facility will be owned by the Borrower as the initial legal owner;

<u>Charter School Facility</u>	<u>Location</u>	<u>Maximum Amount in location</u>
Lansing Charter Academy	3300 Express Court, Lansing, MI 48910-4370	\$12,500,000

and;

WHEREAS, Section 147(f) of the Code requires that the applicable elected representative of the governmental unit on behalf of which bonds are issued and of each governmental unit having jurisdiction over the area in which any facilities with respect to which financing is to be provided from the net proceeds of such bonds is located, approve bonds after a public hearing in order for a private activity bond to be a qualified bond under the Code; and

WHEREAS, in accordance with Section 147(f) of the Code, a public hearing was held by [this Board] on [DATE] in connection with the issuance of the Bonds at [_____] [by telephone], following [publication][posting] of a notice of such hearing [in newspapers of general circulation in the City of Lansing] [on this County’s website] and [no one from the general public [appeared][commented] at such hearing] [a copy of the minutes of such meeting are attached hereto]; and

WHEREAS, the City of Lansing City Council is the applicable elected representative of the governmental unit having jurisdiction over the area in which the Charter School Facilities are located.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Lansing, pursuant to Section 147(f) of the Code, hereby approves the issuance by the Authority of the Bonds in an aggregate principal amount up to \$12,500,000 to finance the Project. The Bonds shall not be in any way a debt or liability of the City of Lansing and the City of Lansing shall not have any obligation with respect to the payment of the principal or redemption price of or interest on the Bonds.

BE IT FURTHER RESOLVED that the foregoing approval is for the purposes of the applicable provision of the Code as aforesaid, and does not constitute approval for any permit, license or zoning required for the construction or occupancy of any facilities to be financed or refinanced as part of the Project. Further, this resolution of City Council does not affect any determination as to the tax-exempt status by the City of Lansing Assessor pursuant to the Laws of the State of Michigan.

BE IT FINALLY RESOLVED that all resolutions or parts of resolutions inconsistent herewith are hereby repealed.

BY THE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Code Enforcement Manager has determined that the building located at 125 E. MT. Hope Ave., Parcel # 33-01-01-21-455-028 legally described as 125 E. Mt. Hope Avenue, City of Lansing is unsafe or dangerous as defined in Section 108.1 of the Lansing Uniform Housing Code and the applicable housing laws of the State of Michigan; and

WHEREAS, the building at 125 E. Mt. Hope Avenue was red tagged on 6/07/2020; and

WHEREAS, a hearing was held on 05/27/2021 at which the Lansing Demolition Board hearing officers determined that said building was unsafe and dangerous and ordered the building demolished or made safe by 6/27/2021; and

WHEREAS, said hearing officers filed a report of their findings and order with the City Council and requested the City Council to take appropriate action under the Lansing Housing and Premises Code and the Housing Law of Michigan; and

WHEREAS, the applicable housing laws of the State of Michigan and the City of Lansing Housing Code require that a hearing be conducted to give the property owner an opportunity to show cause why a dangerous building should not be demolished or otherwise made safe; and

WHEREAS, the City Council held a public hearing on _____, to review the findings and the order of the hearing officers and the owner(s) was notified in writing of said hearing and had an opportunity to appear and show cause as to why said building should not be demolished or otherwise made safe; and

WHEREAS, the Code Enforcement Office has determined that compliance with the order of the Lansing Demolition Hearing Board Officer has not occurred; and

NOW, THEREFORE, BE IT RESOLVED that the owner(s) of 125 E. Mt. Hope Avenue are hereby directed to comply with the order of the hearing officers to demolish or otherwise make safe the said building within _____ days from the date of this resolution, .

BE IT FURTHER RESOLVED that the property owner(s) is hereby notified that this order may be appealed within twenty (20) days from the date of this resolution pursuant to MCL 125.542 and should the owner(s) fail to comply with the hearing officers order for demolition or make safe, the Manager of the Code Enforcement Office is hereby directed to proceed with demolition of said building.

BE IT FURTHER RESOLVED whether demolition is accomplished by said property owner(s) or the City, the site shall be appropriately seeded or sodded to stabilize the soil and prevent erosion.

BE IT FURTHER RESOLVED that the owner(s) in whose name the property appears on the current local tax assessment record shall be notified by the City Assessor of the costs associated with the demolition, by first class mail at the address shown on the current assessment records.

BE IT FINALLY RESOLVED that upon the owner(s) failure to pay the total amount owing within thirty (30) days after mailing by the City Assessor, the amount of said costs shall become a lien

against the property, shall be filed and recovered as provided by law and shall be collected in the same manner as provided for property tax liens under the general property tax act.

BY THE COMMITTEE ON PUBLIC SAFETY
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Lansing Code Enforcement Manager has declared the building at 125 E. Mt. Hope Avenue, Parcel # 33-01-01-21-455-025, legally described as the South 95 feet of Lot 13, Reo Park Addition, City of Lansing, to be an unsafe and dangerous building and has requested that the owner of the property be ordered to demolish or otherwise make the building safe; and

WHEREAS, the Code Enforcement Manager ordered the property to be red tagged on 06/07/2020; and

WHEREAS, on May 27, 2021 the Lansing Demolition Board held a special meeting to consider and make a recommendation on whether to declare the building dangerous, as defined in the housing laws of the State of Michigan (MCLA 125.539) and the Lansing Housing and Premises Code (1460.09) and to order the property owner to make safe or demolish the building; and

WHEREAS, the Code Enforcement Manager has determined that compliance with the order of the Lansing Demolition Hearing Board officer has not occurred; and

WHEREAS, the applicable housing laws of the State of Michigan and the Lansing Housing and Premises Code require that a hearing be conducted to give the property owner an opportunity to show cause why a dangerous building should not be demolished or otherwise made safe;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby schedules a show cause hearing for Monday, <<FutureHearingDate>> at 7:00 p.m. in the Lansing City Council Chambers, 10th Floor City Hall, 124 W. Michigan, Lansing, Michigan to consider the finding and order of the Lansing Demolition Board hearing officers regarding the building at 125 E. Mt. Hope to give the owner, or the owner's agent, the opportunity to appear and show cause as to why the building should not be demolished or otherwise required to be made safe as recommended by the Lansing Demolition Board.

BE IT FINALLY RESOLVED that the Lansing City Council requests that the Manager of the Code Enforcement Office notify the owner of said property of the opportunity to appear and present testimony at the hearing, as required and permitted by law.

125 E MT. HOPE AVE.

- Original Red Tag Date

- 6/07/2020

- Submitted Into Make Safe Or Demolish Process

- 4/09/2021

- Property Vacant/Repairs Exceed Building SEV

- Property vacant more than 180 days

- Repairs exceed building SEV

- Title Information

- QUINONES, PAUBLA

125 E. MT. HOPE AVE.

Property Value Information

- SEV

- \$29,700.00 (*as of 7/16/2021*)

- Structure

- \$55,850.00 (*as of 7/16/21*)

- Land

- \$3,596.00 (*as of 7/16/21*)

- Estimate of Repairs

- \$195,000.00

125 E. MT. HOPE AVE.

Housing Code Correction Letters

- Code Compliance Inspection Date

- 06/07/2020

- Code Compliance Letter Written

- 06/07/2020

- Code Compliance Due Date

- 10/08/2020

125 E. MT. HOPE AVE.

Demolition Board Actions

- Demolition Board Show Cause Hearings

- 05/27/2021

- Order by Demolition Board

- MS or D by 6/27/2021

- Request Sent To City Council for Show Cause Hearing

- 7/16/2021

125 E. MT. HOPE AVE.

City Council Actions

- Show Cause Hearing Held
 - 00/00/00
- Public Safety Committee Meeting
 - 00/00/00
- Resolution passed by City Council
- Extension Requested By Owner

125 E. MT. HOPE AVE.

General Comments

- 100 % FIRE DAMAGED NO RESPONSE FROM OWNER NO PERMIT ACTIVITY.

RECOMMENDATIONS

● FOR NEW CASES:

- Recommend time frame for MS or D. This requires a resolution be passed by City Council –
 - 60 days for regular demolitions
 - 30 days for fire-damaged demolitions
- Table case – Stays at PS Committee level for future review.

● FOR EXTENSION REQUESTS:

- Grant extension if requested. Requires new resolution be passed by City Council.
- Deny extension requested. Case will proceed in demo process and be sent out to bid for demolition.

● FOR TABLED CASES:

- Recommend time frame for MS or D. This requires a resolution be passed by City Council –
 - 60 days for regular demolitions
 - 30 days for fire-damaged demolitions
- Return case to table – Stays at PS Committee level for future review.

**CITY OF LANSING - DEMOLITION BOARD
REPORT FOR CITY COUNCIL
CASE OVERVIEW SHEET**

ADDRESS:	125 E. MT. HOPE AVE
PARCEL NUMBER:	33-01-01-21-455-028

SHOW CAUSE HEARING DATE:	5/27/201
DEMOLITION CASE FILE #:	2021-D007

LISTED TAXPAYER:	QUINONES, PAUBLA
INTERESTED PARTIES:	
SEV INFORMATION:	\$28,200.00
LAND VALUE:	\$3,596.00
BUILDING VALUE:	\$53,466.00
LOT SIZE:	FRONTAGE 33 DEPTH 95

HOUSING CODE VIOLATION LTR:	6/7/2020
ORIGINAL RED TAG DATE:	6/7/2020
ZONING:	
ESTIMATE OF REPAIRS:	
PICTURES:	
OTHER:	

LEGAL DESCRIPTION:	S 95 FT LOT 13 REO PARK ADD
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ORDER OF DEMOLITION BOARD

DEMOLITION BOARD MEETING DATE:	5/27/2021
ORDER:	MAKE SAFE OR DEMOLISH BY 6/27/2021
REASON/CONDITIONS:	
HEARING OFFICER:	DAVE MUYLLE

CURRENT PERMIT ACTIVITY

BUILDING:	Required, not yet pulled
ELECTRICAL:	Required, not yet pulled
MECHANICAL:	Required, not yet pulled
PLUMBING:	Required, not yet pulled
DEMOLITION:	na

CURRENT CITY COUNCIL ACTIVITY

REQUEST FOR SHOW CAUSE SENT:	
SHOW CAUSE HEARING DATE:	
PUBLIC SAFETY COMMITTEE WILL REVIEW:	





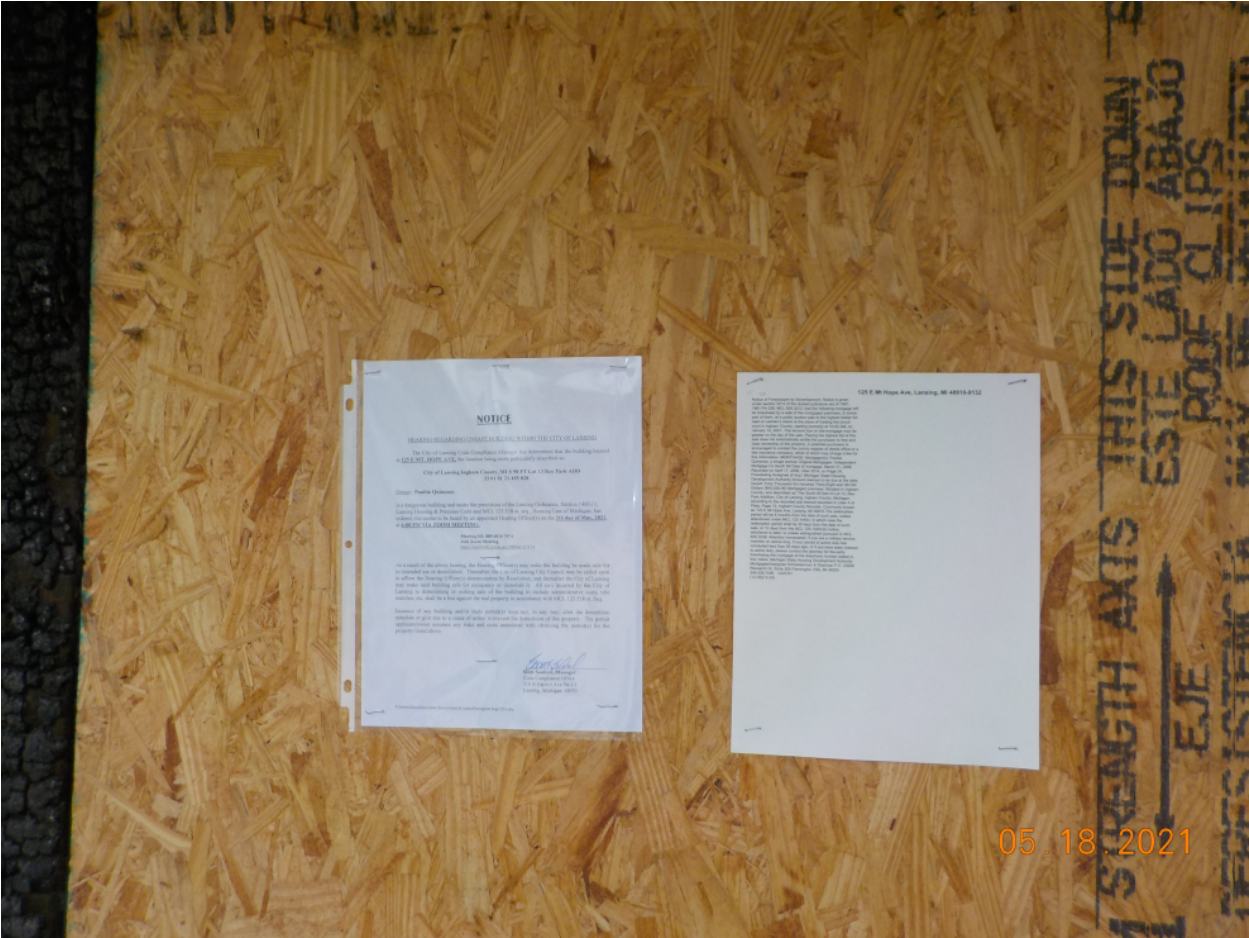


125 E Mt Hope Ave, Lansing, MI 48910-9137

Notice of Foreclosure by Advertisement. Notice is given under section 3212 of the revised judicature act of 1961, 1961 PA 236, MCL 600.3212, that the following mortgage will be foreclosed by a sale of the mortgaged premises, or some part of them, at a public auction sale to the highest bidder for cash or cashier's check at the place of holding the circuit court in Ingham County, starting promptly at 10:00 AM, on January 14, 2021. The amount due on the mortgage may be greater on the day of the sale. Placing the highest bid at the sale does not automatically entitle the purchaser to free and clear ownership of the property. A potential purchaser is encouraged to contact the county register of deeds office or a title insurance company, either of which may charge a fee for this information. MORTGAGE: Mortgagor(s): Paubla Quinones, a single woman Original Mortgagee: Independent Mortgage Co South MI Date of mortgage: March 31, 2006 Recorded on April 17, 2006, Liber 3214, on Page 24, Foreclosing Assignee (if any): Michigan State Housing Development Authority Amount claimed to be due at the date hereof: Forty Thousand Six Hundred Thirty-Eight and 36/100 Dollars (\$40,638.36) Mortgaged premises: Situated in Ingham County, and described as: The South 95 feet of Lot 13, Reo Park Addition, City of Lansing, Ingham County, Michigan, according to the recorded plat thereof recorded in Liber 4 of Plats, Page 13, Ingham County Records. Commonly known as 125 E Mt Hope Ave, Lansing, MI 48910 The redemption period will be 6 months from the date of such sale, unless abandoned under MCL 125.1449v, in which case the redemption period shall be 30 days from the date of such sale, or 15 days from the MCL 125.1449v(b) notice, whichever is later, or unless extinguished pursuant to MCL 600.3238. Attention homeowner: If you are a military service member on active duty, if your period of active duty has concluded less than 90 days ago, or if you have been ordered to active duty, please contact the attorney for the party foreclosing the mortgage at the telephone number stated in this notice. Michigan State Housing Development Authority Mortgagee/Assignee Schneiderman & Sherman P.C. 23938 Research Dr, Suite 300 Farmington Hills, MI 48335 248.539.7400 1425781 (12-03)(12-24)

03.22.2021





05.18.2021



CITY OF LANSING DEMOLITION HEARING BOARD	ORDER TO MAKE SAFE, DEMOLISH OR MAINTAIN BUILDING OR STRUCTURE	FILE NO. 2021-D007
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Matter of the building/structure at 125 E MT. HOPE AVE which is a ☒ dwelling ☐ garage ☐ other

1. Date of hearing: May 27, 2021 Hearing Officers: DAVE MUYLLE , JOSEPH VITALE
2. Scott Sanford, Code Compliance MANAGER of the City of Lansing, has filed a copy of a notice that the subject building/structure is dangerous. The copy of the notice is attached.

THE HEARING OFFICER FINDS THAT:

3. Notice of this hearing was properly served on the
☐ rental registration owner(s)
☒ Owner's or party in interest on City tax assessment record
4. The building/structure ☒ is ☐ is not a dangerous building as defined in MCL 125.539, specifically (see attached)
5. ☒ The building/structure has remained unoccupied for 180 consecutive days or more and is not listed for sale, lease or rent with a licensed real estate broker.
6. ☐ The building/structure has been substantially destroyed by ☐ fire ☐ wind ☐ flood
☐ other:
7. The state equalized value of the building/structure is \$28,500.00
8. The cost to repair the building or structure to make it safe is \$195,000.00
9. The real estate is described as follows:

Parcel Number: 33 01 01 21 455 028

S 95 FT LOT 13 REO PARK ADD, City of Lansing

IT IS ORDERED THAT:

10. ☐ The matter is closed.
- ☒ The building/structure shall be made safe or demolished on or before 6/27/21
- ☐ The case be tabled until _____.
- ☐ The building or structure shall be demolished on or before _____ if not made safe as ordered herein.
- ☐ (If finding #5 is made) The exterior of the building shall be maintained, including
☐ lawns, trees and shrubs ☐ paint on structure ☐ other _____ on or before _____.

Date

5/27/21

Hearing Officer

David L. Mylle

RESOLUTION #2021-

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday _____, at 7:00 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of supporting and/or opposing the Ordinance establishing a Payment in Lieu of Taxes (PILOT) for The Porter Apartments, located at 505 Townsend Street.

Department of Economic
Development and Planning
Brian McGrain, Director



Andy Schor, Mayor

Development Office
316 N. Capitol Avenue, Suite D-1
Lansing, Michigan 48933
PH: 517.483.4040 – FAX: 517.483.6036
www.lansingmi.gov/development

MEMORANDUM

TO: Mayor Schor

FROM: Barbara Kimmel, Interim Development Manager

DATE: 7.16.21

SUBJECT: PILOT Ordinance for Porter Apartments (The Porter)

In July of 2021, Economic Development and Planning (ED&P) received an application for Payment In Lieu of Taxes (PILOT) from Redwood Housing Partners LLC, as well as required documentation.

Request and description of project: The request for a site specific PILOT ordinance is submitted by Redwood Housing Partners, LLC. The request is for a 40-year 4% PILOT for property located at 505 Townsend (TPN 33-01-01-16-380-073). This project includes \$9,373,976 for renovation and upon completion will contain a total of 98 1-bedroom units designated as affordable housing for the elderly, including 5 barrier free units. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in 2022. The project will target MSHDA Green Standards.

Project Financing: This project is for rehabilitation of the existing apartment building housing 98 units. It will be competing for Low Income Housing Tax Credits to be awarded by MSHDA. If approved for tax credits, the basic criteria will be met in order to be considered for a 4% PILOT. The Owner anticipates permanently financing the project using Historic Tax Credit Equity, operations, General Partner equity and deferred Developer fee, for a total development cost of \$22,781,635.00

The draft PILOT Ordinance is attached, along with the Prevailing Wage agreement and a Resolution for Setting a Public Hearing.

THE DED&P NOW ASKS THE MAYOR TO FORWARD THE ATTACHED PILOT ORDINANCE TO CITY COUNCIL FOR TIMELY PLACEMENT ON THE CITY COUNCIL AGENDA FOR THE SCHEDULED MEETING ON JULY 26, 2021.

“Equal Opportunity Employer”

July ___, 2021

PORTER SENIOR APARTMENTS ("Owner")

Attn:

Re: Prevailing Wage ("Davis-Bacon") Determination for PORTER SENIOR
APARTMENTS (the "Development")

To Whom it May Concern:

City of Lansing policy requires the enforcement of the Davis-Bacon Act and other federal labor standards and requirements with respect to all housing developments receiving a benefit from the City of Lansing. The City of Lansing has agreed to grant tax exempt status to the Development and to accept a payment in lieu of taxes pursuant to the contract between the City of Lansing and the Owner. The Davis-Bacon Act requires the Owner and the Contractor to agree to pay prevailing wages to all laborers and mechanics providing work at the Development, and to certify the payment of those prevailing wage rates. The applicable Davis-Bacon prevailing wage determinations for this Development are as set forth in Exhibit A to this letter. The Federal Labor Standards provisions are also attached to this letter.

July __, 2021
Page 2

Please indicate your agreement to pay at least the greater of (1) the minimum hourly wage rate established by Michigan law or (2) the basic hourly prevailing wage rates set forth in Exhibit A and to comply with Federal Labor Standards during the construction of the Development by indicating your concurrence in the spaces provided for that purpose below. These prevailing wage determinations must be incorporated into the Construction Contract between the Owner and the Contractor (the "Contract"). The Owner and Contractor must also certify to the City of Lansing on a quarterly basis, beginning in _____, and ending upon completion of construction (as evidenced by the issuance of Certificates of Occupancy or equivalent on all of the units in the Development), that all laborers and mechanics have been paid prevailing wages as required by this Letter and under the Contract. The Certification issued by the Owner shall be in the form attached hereto as Exhibit B.

Sincerely,

CITY OF LANSING

By:_____

July __, 2021
Page 3

We hereby agree to require the Contractor to comply with the prevailing wage and other requirements contained in this letter, and to incorporate these requirements and the Federal Labor Standards Provisions in the Contract and each subcontract, as set forth in Exhibit C.

The provisions of this Letter may be enforced by the Owner, the City of Lansing, the U.S. Department of Labor, and, to the extent permitted by law, any person intended to be benefitted by them. A breach of the provisions of this Letter shall be considered a material breach of the Contract, and shall give the Owner the rights following a default under the Contract. A breach of the provisions of this Letter may also result in the debarment of the Contractor from future participation in U.S. Government contracts under 29 CFR Part 98.

SPONSOR:
JONATHAN ROSE COMPANIES
By:
Its: Managing Member

By:
Its:

We hereby agree to comply with the prevailing wage and other requirements listed in this letter, and agree that these requirements are hereby incorporated in the Contract. We further agree that representatives of each of the foregoing parties with enforcement rights shall have full and free access, during working hours and after reasonable notice, to all our labor- related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements. We further agree that we shall promptly respond to all requests for information made by the City of Lansing respecting compliance with these requirements.

We shall further cause and require to be included in all subcontracts a provision that representatives of the City of Lansing shall have full and free access, during working hours and after reasonable notice, to all labor-related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, of the subcontractor relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements.

_____ Construction Company, Inc.

By:

Its:

EXHIBIT A
Porter Apartments Project 7/21/21

"General Decision Number: MI20210014 07/16/2021

Superseded General Decision Number: MI20200014

State: Michigan

Construction Type: Residential

County: Ingham County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.95 for calendar year 2021 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.95 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2021. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/01/2021
1	01/29/2021
2	07/16/2021

CARP1004-012 06/01/2020

Rates

Fringes

CARPENTER (Form Work Only).....\$ 19.85 20.71

* ELEC0252-006 06/01/2021

Townships of Bunker Hill, Leslie, Onondaga and Stockbridge

	Rates	Fringes
ELECTRICIAN.....	\$ 33.69	20%+10.80

* ELEC0665-010 05/31/2021

Townships of Alaiedon, Aurelius, Delhi, Ingham, Lansing, Leroy, Locke, Meridian, Vevay, Wheatfield, White Oak and Williamson

	Rates	Fringes
ELECTRICIAN.....	\$ 30.00	9.25+5.5%

ENGI0325-029 06/01/2020

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 40.38	24.85
GROUP 2.....	\$ 37.08	24.85
GROUP 3.....	\$ 34.43	24.85

FOOTNOTES:

Crane operator with main boom and jib 300' or longer: \$1.50 per hour above the group 1 rate.

Crane operator with main boom and jib 400' or longer: \$3.00 per hour above the group 1 rate.

PAID HOLIDAYS: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Crane operator with main boom and jib 400', 300', or 220' or longer.

GROUP 2: Crane operator with main boom and jib 140' or longer, tower crane, gantry crane, whirley derrick

GROUP 3: Bulldozer; Crane; Grader/Blade; Loader; Scraper

IRON0025-004 06/01/2019		
	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 36.77	29.03

LABO0499-008 10/01/2014		
	Rates	Fringes
LABORER: Mason Tender - Cement/Concrete.....	\$ 16.72	12.75

PAIN0845-002 05/21/2014		
	Rates	Fringes
PAINTER: Brush and Roller.....	\$ 16.43	11.85

PLUM0333-003 06/18/2018		
	Rates	Fringes
PIPEFITTER (Including HVAC Pipe Installation).....	\$ 25.82	18.47
PLUMBER (Excluding HVAC Pipe Installation).....	\$ 25.82	18.47

ROOF0070-012 06/01/2020		
	Rates	Fringes
ROOFER.....	\$ 30.43	15.68

SHEE0007-023 05/01/2018		
	Rates	Fringes
SHEET METAL WORKER, Includes HVAC Duct and Unit Installation.....	\$ 24.93	9.65

SUMI2010-012 09/16/2010		
	Rates	Fringes
CARPENTER, Excludes Form Work....	\$ 17.64	6.70
CEMENT MASON/CONCRETE FINISHER...	\$ 19.27	5.85

LABORER: Common or General.....	\$ 17.21	5.46
LABORER: Landscape.....	\$ 9.64	2.81
LABORER: Pipelayer.....	\$ 17.95	5.46
OPERATOR: Backhoe/Excavator.....	\$ 19.94	5.46
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 17.66	7.65
TRUCK DRIVER: Dump Truck.....	\$ 17.00	5.71

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage

determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those

classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

EXHIBIT B

Prevailing Wage Certification

July __, 2021

City of Lansing
Attn: City Assessor's Office
124 W. Michigan Avenue
Lansing, Michigan

RE: PORTER SENIOR APARTMENTS

Pursuant to that certain Prevailing Wage Letter Agreement (the "Letter") dated _____, the undersigned, JONATHAN ROSE COMPANIES ("Owner"), and _____ Construction Company, Inc. ("Contractor"), hereby certify, each on their own behalf and to the best of their knowledge, to the City of Lansing that each have complied with the requirements of the Letter and that all laborers and mechanics have been paid prevailing wages as required by the Letter and under the Contract.

JONATHAN ROSE COMPANIES

By:

Its: Managing Member

By: _____

Its:

_____ Construction Company, Inc.

By: _____

Its:

Federal Labor Standards Provisions

U.S. Department of Housing
and Urban Development
Office of Labor Relations**Applicability**

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30 -day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215 -0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215- 0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis- Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215 -0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e. g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A. 3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A. 3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to, and individually registered in a program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

form HUD-4010 (06/2009)

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U. S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U. S. C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; Liability for unpaid wages; Liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91- 54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	Redwood Housing Partners, LLC 3101 Bee Caves Road Suite 325 Austin, TX 78746
OWNERSHIP ENTITY:	The Porter Limited Dividend Housing Association, Limited Partnership
STATUS OF APPLICANT:	Newly formed ownership entity,
REQUESTED PILOT:	4% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	40 years
EXISTING LAND USE:	98 1-bedroom apartments including 5 barrier free apartments
EXISTING ZONING:	DT-3 Urban Core
PROPERTY SIZE & SHAPE:	0.979 acre site. Rectangular property with irregular features with frontage on Townsend Street and Lenawee Street.
SURROUNDING LAND USE:	N: Park S: Office E: Office W: Multi-Family Residential
SURROUNDING ZONING:	N: DT-3 Urban Core S: DT-1 Urban Edge E: DT-3 Urban Core W: DT-3 Urban Core

PROJECT ANALYSIS

Request and description of project: The request for a site specific PILOT ordinance is submitted by Redwood Housing Partners, LLC. The request is for a 40-year 4% PILOT for property located at 505 Townsend (TPN 33-01-01-16-380-073). The Porter Apartments project is proposed for rehabilitation. The completed project will contain a total of 95 1-bedroom units designated as affordable housing for the elderly, including 5 barrier free units. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in 2022. The comprehensive \$9,373,956 rehabilitation will include repairs and

replacement of components on the interior including replacing flooring, casework and countertops and installation of Energy Star appliances, energy efficient lighting, kitchen and bathroom fixtures, mechanical upgrades including cooling and accessibility upgrades, elevator modernization and upgrades to community amenities. Exterior work includes façade repairs, roof replacement, and concrete repairs and upgraded site lighting.

Temporary relocation is expected to occur and the Developer has engaged Housing Opportunities Unlimited to provide temporary relocation services for the residents of the project. No tenants are anticipated to be permanently displaced as a result of the renovation and all costs associated with the renovation/temporary relocation will be borne by the applicant.

Project Financing: This project is for rehabilitation of the existing apartment building housing 98 units. It will be competing for Low Income Housing Tax Credits to be awarded by MSHDA. If approved for tax credits, the basic criteria will be met in order to be considered for a 4% PILOT. The Owner anticipates permanently financing the project using Historic Tax Credit Equity, operations, General Partner equity and deferred Developer fee, for a total development cost of \$22,781,635.00

FINANCIAL ANALYSIS

Assessor's Financial Analysis:

Porter Apartments

ESTIMATE

Post-Rehab property value:	Developer estimate: \$22,718,635
	Assessor's Office estimate: \$6,145,745
	Difference: \$16,572,890

2020 millage rate: 73.8617 mills

Estimated annual property tax revenues are \$0.00 (re-rehab) due to exempt status and \$ (post-rehab) assuming that the project is completed with no property tax breaks.

	Rents -	Utilites	x PILOT%=	PILOT
Current PILOT Service Fee	(\$800,222 -	\$176,593)	x .04	= \$24,945.16
Projected PILOT (from owner pro-forma)	(\$1,329,468-	\$164,600)	x .04	= \$46,594.72

Initial assessed value (IAV): \$0.00 Exempt on PILOT

Current SEV: \$0.00 Exempt on PILOT

Projected 2022 SEV: \$1,250,500 (if not on PILOT)

Post-construction assessed value: \$3,072,900 (if not on PILOT)

Comments: Projection of Assessor's Value (Based upon information provided in application)

Potential Annual Gross Income:	\$1,426,895
Vacancy & Bad Debt Allowance:	(built-in to income)
Effective Gross Income:	\$1,426,895
- Operating Expenses:	(\$647,000) (property taxes not included as an expense)
Net Operating Income:	\$779,895

Capitalization Rate: OAR 9%(conservative estimate) + Effective Property Tax Rate 3.69% = 12.69%

Projected Value Post Renovations = NOI \$779,895 / Cap Rate 12.69% = \$6,145,745

Since the subject property is currently exempt from ad valorem property taxation it provides no direct revenue to the various taxing authorities. The creation and the adoption of a PILOT for the subject property would have a positive impact and provide an additional source of revenue for the taxing authorities to help offset the cost of services provided and services to be provided to the new occupants.

RECOMMENDATION

Staff recommends adoption of the PILOT ordinance based on the following:

The project is consistent with the City's Form-Based Zoning Code. Significant interior and exterior rehabilitation will take place to preserve 98 affordable housing units for elderly and disabled residents.

Rehabilitation of the historic building as proposed will help retain the existing character of the area.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO AMEND THE CODE OF ORDINANCES OF THE CITY OF LANSING BY ADDING A NEW SECTION 884.____ FOR THE PURPOSES OF PROVIDING FOR AN EXTENSION OF A SERVICE CHARGE IN LIEU OF TAXES FOR NINETY-EIGHT (98) LOW INCOME ELDERLY DWELLING UNITS IN A PROJECT KNOWN AS THE PORTER SENIOR APARTMENTS, PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, AS AMENDED.

THE CITY OF LANSING ORDAINS:

SECTION 1. THAT CHAPTER 884 OF THE CODE OF ORDINANCES OF THE CITY OF LANSING, MICHIGAN BE AMENDED TO ADD A NEW SECTION 884.____ TO READ AS FOLLOWS:

884.____ THE PORTER SENIOR APARTMENTS

(A) *PURPOSE.* IT IS ACKNOWLEDGED THAT IT IS A PROPER PUBLIC PURPOSE OF THE STATE AND ITS POLITICAL SUBDIVISIONS TO PROVIDE HOUSING FOR ITS RESIDENTS OF LOW AND MODERATE INCOME AND TO ENCOURAGE THE DEVELOPMENT OF SUCH HOUSING BY PROVIDING FOR A SERVICE CHARGE IN LIEU OF PROPERTY TAXES IN ACCORDANCE WITH THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, BEING PUBLIC ACT 346 OF 1966, AS AMENDED [MCL 125.1401, ET SEQ.]. THE CITY IS AUTHORIZED BY SUCH ACT TO ESTABLISH OR CHANGE THE SERVICE CHARGE TO BE PAID IN LIEU OF TAXES BY ANY OR ALL CLASSES OF HOUSING EXEMPT FROM TAXATION UNDER SUCH ACT AT ANY AMOUNT IT CHOOSES, NOT TO EXCEED THE TAXES THAT WOULD

1 BE PAID BUT FOR THIS ACT. IT IS FURTHER ACKNOWLEDGED THAT SUCH
2 HOUSING FOR ELDERLY PERSONS OF LOW AND MODERATE INCOME IS A
3 PUBLIC NECESSITY, AND AS THE CITY WILL BE BENEFITED AND IMPROVED BY
4 SUCH HOUSING, THE ENCOURAGEMENT OF THE SAME BY PROVIDING
5 CERTAIN REAL ESTATE TAX EXEMPTION FOR SUCH HOUSING IS A VALID
6 PUBLIC PURPOSE.

7 (B) *DEFINITIONS.*

8 (1) "*ACT*" MEANS THE STATE HOUSING DEVELOPMENT AUTHORITY ACT,
9 BEING PUBLIC ACT 346 OF 1966, AS AMENDED.

10 (2) "*ANNUAL SHELTER RENTS*" MEANS THE TOTAL COLLECTIONS DURING AN
11 AGREED ANNUAL PERIOD FROM ALL ELDERLY PERSONS OF LOW OR
12 MODERATE INCOME, OCCUPYING THE HOUSING DEVELOPMENT
13 REPRESENTING RENTS FOR OCCUPANCY, WHICH RENTAL AMOUNTS
14 SHALL BE EXCLUSIVE OF CHARGES FOR GAS, ELECTRICITY, HEAT OR
15 OTHER UTILITIES FURNISHED TO THE OCCUPANTS.

16 (3) "*AUTHORITY*" MEANS THE MICHIGAN STATE HOUSING DEVELOPMENT
17 AUTHORITY.

18 (4) "*ELDERLY PERSON(S)*" MEANS (i) A SINGLE PERSON WHO IS 55 YEARS OF AGE
19 OR OLDER OR A HOUSEHOLD IN WHICH AT LEAST ONE MEMBER IS 55
20 YEARS OF AGE OR OLDER OR (ii) A PERSON WITH DISABILITIES, A
21 DISABLED FAMILY, OR DISPLACED FAMILY ALL AS DEFINED IN 24 CFR
22 5.403.

1 (5) "*HOUSING DEVELOPMENT* " OR "*DEVELOPMENT*" MEANS A DEVELOPMENT
2 WHICH CONTAINS A SIGNIFICANT ELEMENT OF HOUSING FOR ELDERLY
3 PERSONS OF LOW AND MODERATE INCOME AND SUCH ELEMENTS OF
4 OTHER HOUSING, COMMERCIAL, RECREATIONAL, INDUSTRIAL,
5 COMMUNAL AND EDUCATIONAL FACILITIES AS THE AUTHORITY MAY
6 DETERMINE WILL IMPROVE THE QUALITY OF THE DEVELOPMENT AS IT
7 RELATES TO HOUSING FOR ELDERLY PERSONS OF LOW AND MODERATE
8 INCOME. FOR THE PURPOSE OF THIS SECTION, THE NAME OF THIS
9 DEVELOPMENT IS THE PORTER SENIOR APARTMENTS, AND CONSISTS OF
10 NINETY-EIGHT (98) UNITS OF RENTAL HOUSING LOCATED WITHIN
11 LANSING AT PART OF LOTS 8, 9, 10, 11 & 12 COM NW COR BLOCK 148, E 122
12 FT, S 90 FT, SW 7.1 FT, S 72 FT, E 4 FT, S 163 FT, W 121 FT, N 330 FT TO BEG,
13 ALSO E 36 FT OF W 99 FT LOT 7 BLOCK 148 ORIG PLAT, COMMONLY KNOWN
14 AS 505 TOWNSEND STREET, LANSING (PARCEL ID: 33-01-01-16-380-073).

15 (6) "*HUD*" MEANS THE DEPARTMENT OF HOUSING AND URBAN
16 DEVELOPMENT OF THE UNITED STATES GOVERNMENT.

17 (7) "*LOW INCOME HOUSING TAX CREDIT PROGRAM*" MEANS THE PROGRAM
18 ESTABLISHED BY SECTION 42 OF THE UNITED STATES INTERNAL REVENUE
19 CODE.

20 (8) "*LOW OR MODERATE INCOME*" MEANS LOW OR MODERATE INCOME
21 ELIGIBILITY UNDER THE AUTHORITY ACT OR RULES.

22 (9) "*MORTGAGE LOAN*" MEANS A LOAN TO BE MADE BY A PRIVATE ENTITY OR
23 A LOAN INSURED BY HUD, OR A LOAN FROM THE AUTHORITY FOR THE

1 FINANCING OF THE PURCHASE OR REHABILITATION OF THE HOUSING
2 DEVELOPMENT.

3 (10) "*SPONSOR*" MEANS A PERSON OR OTHER ENTITY WITH A HOUSING
4 DEVELOPMENT WHICH IS FINANCED OR ASSISTED PURSUANT TO THE ACT.
5 FOR PURPOSES OF THIS SECTION, THE SPONSOR OF THE PORTER SENIOR
6 APARTMENTS IS GL HOLDINGS, LLC, OR ITS SUCCESSORS OR ASSIGNS.

7 (11) "*UTILITIES*" MEANS FUEL, WATER, HEAT, SANITARY SEWER AND/OR
8 ELECTRICAL SERVICE, WHICH IS PAID FOR BY THE HOUSING
9 DEVELOPMENT, AS DEFINED IN THE ACT.

10 (12) OTHER TERMS. ALL TERMS REFERENCING THE ACT BUT NOT DEFINED IN
11 THIS SECTION SHALL HAVE THE SAME MEANING GIVEN IN THE ACT.

12 (C) *ESTABLISHMENT OF ANNUAL SERVICE CHARGE.*

13 (1) THE CITY ACKNOWLEDGES THAT THE SPONSOR AND THE AUTHORITY
14 HAVE ESTABLISHED THE ECONOMIC FEASIBILITY OF THE PORTER SENIOR
15 APARTMENTS IN RELIANCE UPON THE ENACTMENT AND CONTINUING
16 EFFECT OF THIS SECTION AND UPON THE QUALIFICATION OF THE NINETY-
17 EIGHT (98) UNITS OF ELDERLY HOUSING IN THE HOUSING DEVELOPMENT
18 FOR EXEMPTION FROM ALL PROPERTY TAXES AS ESTABLISHED IN THIS
19 SECTION.

20 (2) SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THIS SECTION AND
21 THE ACT, THE NINETY-EIGHT (98) UNITS IN THE ELDERLY HOUSING
22 DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME

1 IDENTIFIED AS THE PORTER SENIOR APARTMENTS AND THE PROPERTY ON
2 WHICH THEY ARE CONSTRUCTED SHALL BE EXEMPT FROM ALL
3 PROPERTY TAXES FOR FORTY (40) YEARS, COMMENCING WITH AND
4 INCLUDING TAX YEAR 2021.

5 (3) IN LIEU OF ALL SAID PROPERTY TAXES ON THE NINETY-EIGHT (98) UNITS
6 IN THE ELDERLY HOUSING DEVELOPMENT, THE SPONSOR SHALL PAY,
7 AND THE CITY WILL ACCEPT, AN ANNUAL SERVICE CHARGE FOR PUBLIC
8 SERVICES, IN THE SUM EQUAL TO, FOUR PERCENT (4%) OF THE
9 DIFFERENCE BETWEEN THE ANNUAL SHELTER RENTS ACTUALLY
10 COLLECTED AND THE ANNUAL AMOUNT OF UTILITIES PAID DURING THE
11 SAME PERIOD.

12 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION SHALL RESCIND AND
13 REPLACE ANY PRIOR EXEMPTIONS AND SHALL COMMENCE EFFECTIVE AS
14 OF JANUARY 1, 2021 WHEN THE SPONSOR COMPLIES WITH SECTION 15A(1)
15 OF 1966 PA 346, AS AMENDED, CODIFIED AS MCL 125.1415(a)(1), WHICH
16 PROVIDES: THE OWNER OF A HOUSING PROJECT ELIGIBLE FOR THE
17 EXEMPTION SHALL FILE WITH THE LOCAL ASSESSING OFFICER (THE CITY
18 ASSESSOR) A NOTIFICATION OF THE EXEMPTION, WHICH SHALL BE IN AN
19 AFFIDAVIT FORM AS PROVIDED BY THE AUTHORITY. THE COMPLETED
20 AFFIDAVIT FORM FIRST SHALL BE SUBMITTED TO THE AUTHORITY FOR
21 CERTIFICATION BY THE AUTHORITY THAT THE PROJECT IS ELIGIBLE FOR
22 THE EXEMPTION. THE OWNER THEN SHALL FILE, OR CAUSE TO BE FILED,
23 THE CERTIFIED NOTIFICATION OF THE EXEMPTION WITH THE LOCAL

1 ASSESSING OFFICER BEFORE NOVEMBER 1 OF THE YEAR PRECEDING THE
2 TAX YEAR IN WHICH THE EXEMPTION IS TO BEGIN.

3 (5) IN ADDITION TO THE CERTIFICATION REQUIRED PURSUANT TO
4 SUBSECTION (C)(4), THE SPONSOR SHALL PROVIDE FOR THE HOUSING
5 DEVELOPMENT ANNUALLY IN WRITING TO THE CITY ASSESSOR FOR THE
6 PRECEDING YEAR IN WHICH THE PROPERTY TAX EXEMPTION WAS IN
7 EFFECT:

8 A. THE ANNUAL AUDITED ACCOUNTING REPORT FOR THE PAYMENT IN
9 LIEU OF TAXES; AND

10 B. A CERTIFIED STATEMENT IDENTIFYING ALL THE UNITS RENTED TO
11 ELDERLY PERSONS OF LOW OF MODERATE INCOME; AND

12 C. IF REQUESTED BY THE CITY, PROOF THAT THE HOUSING
13 DEVELOPMENT UNITS HAVE NOT INCREASED, DECREASED, OR BEEN
14 ALTERED IN ANY MATERIAL FORM, WITH THE EXCEPTION OF LIKE
15 KIND REPLACEMENTS OR REPAIRS NEEDED IN THE ORDINARY COURSE
16 OF BUSINESS, UNLESS THE CITY HAS OTHERWISE AMENDED THE
17 PROVISIONS OF THIS SECTION; AND

18 (D) *LIMITATION ON THE PAYMENT OF THE ANNUAL SERVICE CHARGE.*

19 NOTWITHSTANDING SUBSECTION (C), THE SERVICE CHARGE TO BE PAID EACH
20 YEAR IN LIEU OF TAXES FOR THE RENTAL HOUSING UNITS OF THE HOUSING
21 DEVELOPMENT PROJECT THAT IS TAX EXEMPT AND OCCUPIED BY RESIDENTS
22 OTHER THAN LOW OR MODERATE INCOME ELDERLY PERSONS SHALL BE

1 EQUAL TO THE FULL AMOUNT OF THE TAXES THAT WOULD OTHERWISE BE
2 DUE AND PAYABLE ON THAT PORTION OF THE HOUSING DEVELOPMENT
3 PROJECT IF THE PROJECT WERE NOT TAX EXEMPT.

4 (E) *PAYMENT OF ANNUAL SERVICE CHARGE.* THE SERVICE CHARGE IN LIEU OF
5 TAXES, AS ESTABLISHED UNDER THIS SECTION, SHALL BE PAYABLE IN THE
6 SAME MANNER AS GENERAL PROPERTY TAXES ARE PAYABLE TO THE CITY,
7 AND DISTRIBUTED TO THE SEVERAL UNITS LEVYING THE GENERAL
8 PROPERTY TAX IN THE SAME PROPORTION AS PREVAILED WITH THE GENERAL
9 PROPERTY TAX IN THE PREVIOUS YEAR, EXCEPT THAT THE ANNUAL
10 PAYMENT SHALL BE MADE ON OR BEFORE JULY 1 OF THE YEAR FOLLOWING
11 THE YEAR UPON WHICH SUCH CHARGE IS CALCULATED. COLLECTION
12 PROCEDURE SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE
13 GENERAL PROPERTY TAX ACT (1893 PA 206, AS AMENDED; MCL 211.1, ET SEQ.).

14 (F) *CONTRACTUAL EFFECT.* NOTWITHSTANDING THE PROVISIONS OF SECTION
15 15(A)(5) OF THE ACT TO THE CONTRARY, A CONTRACT BETWEEN THE CITY
16 AND THE SPONSOR WITH THE AUTHORITY AS THIRD-PARTY BENEFICIARY
17 UNDER THE CONTRACT, TO PROVIDE TAX EXEMPTION AND ACCEPT PAYMENT
18 IN LIEU OF TAXES AS PREVIOUSLY DESCRIBED, IS EFFECTUATED BY THE
19 ENACTMENT OF THIS SECTION.

20 (G) *COMMENCEMENT AND DURATION.* THE PROPERTY TAX EXEMPT STATUS OF
21 THE HOUSING DEVELOPMENT PROJECT ACKNOWLEDGED BY THIS
22 AGREEMENT SHALL REMAIN IN EFFECT AND SHALL NOT TERMINATE SO LONG
23 AS THE MORTGAGE LOAN FOR THE HOUSING DEVELOPMENT PROJECT

1 REMAINS OUTSTANDING AND UNPAID, BUT NOT TO EXCEED FORTY (40)
2 YEARS, COMMENCING WITH AND INCLUDING TAX YEAR 2021, PROVIDED
3 THAT THE SPONSOR COMPLIES WITH THE REQUIREMENTS OF THE ACT AND
4 THIS SECTION, AND FURTHER PROVIDED THAT THE HOUSING DEVELOPMENT
5 CONTINUES TO BE RENTED TO LOW OR MODERATE INCOME ELDERLY
6 PERSONS AT RENTS DETERMINED UNDER THE LOW INCOME HOUSING TAX
7 CREDIT PROGRAM OR AS DETERMINED BY THE HAP CONTRACT, AS THE SAME
8 MAYBE FURTHER AMENDED OR SUPERSEDED, OR THERE IS AN AUTHORITY-
9 AIDED OR FEDERALLY-AIDED MORTGAGE ON THE HOUSING DEVELOPMENT
10 AS PROVIDED IN THE ACT, OR THE AUTHORITY OR HUD HAS AN INTEREST IN
11 THE PROPERTY. IF THE SPONSOR CHANGES THE SCOPE OR PURPOSE OF THE
12 NINETY-EIGHT (98) UNITS OF HOUSING WITHIN THE DEVELOPMENT TO
13 SOMETHING OTHER THAN PROVIDING HOUSING FOR ELDERLY RESIDENTS OF
14 LOW OR MODERATE INCOME WITHOUT THE CONSENT OF THE CITY OF
15 LANSING, BY AND THROUGH ITS REPRESENTATIVES, AND IN ACCORDANCE
16 WITH THE REQUIREMENTS OF THE LANSING CITY CHARTER, THIS SECTION
17 SHALL AUTOMATICALLY EXPIRE AND BE OF NO EFFECT. IF THE
18 CONSTRUCTION OF THE HOUSING DEVELOPMENT DOES NOT COMMENCE
19 WITHIN 2 YEARS FROM THE EFFECTIVE DATE OF THIS SECTION, THIS SECTION
20 SHALL AUTOMATICALLY EXPIRE AND BE OF NO EFFECT.

21 Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
22 inconsistent with the provisions hereof are hereby repealed as they pertain to the Porter Senior
23 Apartments, as contemplated herein.

1 Section 3. Should any section, clause or phrase of this ordinance be declared to be
2 invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other
3 than the part so declared to be valid.

4 Section 4. This ordinance shall take effect on the 30th day after enactment unless given
5 immediate effect by the City Council.

6
7
8
9
10
11
12
13 Approved as to form:
14
15
16 _____
17 James D. Smiertka, City Attorney
18 Dated: _____
19



Andy Schor, Mayor

APPLICATION FOR PAYMENT IN LIEU OF TAXES (PILOT)

PROJECT NAME:	Porter Apartments (tbn The Porter)
PILOT PERIOD REQUESTED:	40 Years
NUMBER OF PARCELS IN PROJECT:	1 Parcel
APPLICATION TYPE: (Check all that apply)	☐ NEW PROJECT ☐ RESTRUCTURE OF PROJECT FINANCING ☒ CHANGE IN OWNERSHIP
PILOT Percentage Requested:	4%

A. OWNERSHIP INFORMATION

NAME OF OWNERSHIP ENTITY:	The Porter Limited Dividend Housing Association, Limited Partnership
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TYPE OF OWNERSHIP:	☒ LIMITED DIVIDEND HOUSING ASSOCIATION
	☐ QUALIFIED NONPROFIT HOUSING CORPORATION
	☐ CONSUMER HOUSING COOPERATIVE
	☐ OTHER: (DESCRIBE)

DEVELOPER/SPONSOR:	Redwood Housing Partners, LLC
DEVELOPER ADDRESS:	3101 Bee Caves Road, Suite 325, Austin, TX 78746

CONTACT PERSON:	Felipe Serpa
TELEPHONE:	(508) 538 - 9979
EMAIL:	entities@redwoodhousing.com



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B. CITY APPROVALS NEEDED

PLANNING BOARD	☐ YES ☐ NO ☒ NOT APPLICABLE
	STATUS:
ZONING BOARD OF APPEALS	☐ YES ☐ NO ☒ NOT APPLICABLE
	STATUS:
HISTORIC DISTRICT COMMISSION	☐ YES ☐ NO ☒ NOT APPLICABLE
	STATUS:
OTHER:	STATUS:
EXPECTED PROJECT START DATE:	12/31/2021
EXPECTED PROJECT COMPLETION DATE:	12/31/2022

C. PROJECT INFORMATION

Project Address:	505 Townsend Street, Lansing, MI 48933
General Location (e.g. cross streets)	Townsend and Lenawee streets
Is Project located in a Renaissance Zone?	☐ Yes ☒ No
Is Project located in a Neighborhood Enterprise Zone?	☐ Yes ☒ No
Is Ownership Entity able to demonstrate site control?	☒ Yes ☐ No

Note: Project is not eligible for PILOT if Ownership Entity is not able to demonstrate site control. Site control is demonstrated through ownership, purchase/option agreement, etc. Contact the Community Development Department with questions regarding sufficient documentation.



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Provide a complete description of the project including the parties involved, necessary background information, number of parking spaces being provided, and any special certification (e.g. LEED) the project will target. (Provide attachment if necessary)

ATTACHED

If project financing is being restructured, detail all physical improvements to the project completed within the last five (5) years and any planned improvements. (Provide as attachment if necessary)

N/A



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D. BUILDING INFORMATION

Building Type (e.g. single/multi-family, number of floors) multi-family, 7 floors
Total Number of Units: 98
Number of Rent Restricted Units: 98
Number of Market Rate Units: 0
Total Number of Barrier-Free Units: 5
Target Demographic(s) (seniors, families, persons with disabilities): Seniors, persons with disabilities

Transitional Housing for Homeless Project	☐ Yes ☒ No
Emergency Shelter Project	☐ Yes ☒ No
Targeted Income (% of Area Median Income)	10 apartments at 40% AMI, 88 apartments at 60% AMI
Residential Space Square Footage:	61,740 sf
Non-Residential (N/R Space):	☒ Yes ☐ No
Square Footage (of N/R Space):	9,768
Use (of N/R Space):	Common areas (lobby, leasing office, laundry, hallways, community room)
Neighborhood District:	Downtown

Describe how the project will fit into the neighborhood:

N/A – Existing project.

Provide neighborhood feedback regarding any proposed new construction:

N/A



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E. UNIT INFORMATION

Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)	
			Restricted Rate	Market Rate *
Rent Restricted Units				
0- Bedroom				
1- Bedroom	98	630	\$1,229	\$1,229
2- Bedroom				
3- Bedroom				
4- Bedroom				
5- Bedroom				
Subtotal	98			

*The expected market rate for the rent restricted unit. The information is used for comparison purposes.

*The Project benefits from a Project Based Section 8 HAP contract. As such, tenants only pay a portion of the restricted rent, equal to 30% of their adjusted income.

Provide a description of the units in the project:

The Porter consists of 98 well-appointed one bedroom, one bathroom apartments, which are in need of a comprehensive renovation. The contemplated unit renovation will include casework, countertops, flooring, Energy Star appliances, energy efficient lighting, kitchen and bathroom fixtures and mechanical upgrades.

Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)
Market Rate Units			
0- Bedroom			
1- Bedroom			
2- Bedroom			
3- Bedroom			
4- Bedroom			
5- Bedroom			
Subtotal	<u>0</u>		
Total	0		



Andy Schor, Mayor

F. PROJECT FINANCING

Federally-aided Mortgage, Advance, or Grant	☐ Yes	☒ No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

State-aided Mortgage, Advance, or Grant	☒ Yes	☐ No
Name of Loan/Credit Program	Term of Financing	Amount
MSDHA Pass-Through Bonds via Agency loan	17 years	\$12,100,000
		\$
		\$

City-aided Mortgage, Advance, or Grant	☐ Yes	☒ No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

Low Income Housing Tax Credits (LIHTC)	☒ Yes	☐ No
Name of Loan/Credit Program	Term of Financing	Amount
4% LIHTC Equity	15	\$8,329,726
Historic Tax Credit Equity	15	\$1,143,408

LIHTC Application Date:	3/5/2021
LIHTC Status:	Reservation of LIHTC received on 5/18/21 and reservation of tax exempt bonds received on 5/20/21
Initial Use Commitment in LIHTC Application:	15 Years
Extended Use Commitment in LIHTC Application:	15 Years
Total Length of Affordability Commitment in LIHTC Application:	30 Years

Contact Person for Qualifying Federal or State Financing:	Geoffrey Ehnis-Clark
Phone Number:	(517) 512 - 3852



Andy Schor, Mayor

Email:

ehnisclarkg@michigan.gov

Description and status of other (private) financing:

N/A

Description why PILOT is necessary:

The Porter is a critical community asset that has been severely under invested in and mismanaged for decades. New ownership has developed a comprehensive renovation plan, dependent on a 4% PILOT, which will not only meaningfully improve The Porter so that it will be widely recognized as high-quality affordable housing for decades to come but will also likely contribute to future investments in/around downtown Lansing. Specifically, a 4% PILOT is necessary to support the proposed \$17,750,000 construction loan and \$12,100,000 permanent loan, both of which are critical to achieving the aforementioned objectives. More specifically, in large part loan sizing is determined by net operating income, which includes property taxes, and a 4% PILOT is currently being used for the underwriting of the comprehensive renovation. If a 4% PILOT is not granted, the proposed renovation would not be possible and cuts to the operating budget would be necessary, both of which would be determinantal to ensuring The Porter is finally cared for in a manner that the residents and community deserve. Please note that the property has benefited from a 4% PILOT since 1982 and as such this application is effectively an extension of the existing PILOT.



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G. ADDITIONAL INFORMATION

Attach the following required documents to this application.

- ☒ Ownership Entity Organizational Documents
- ☒ Description of Project
- ☒ Legal Description of property (electronic version should be available on request)
- ☒ Evidence of Site Control
- ☒ Statement of Development Team Experience (be specific)
- ☒ Sources and Uses Statement (indicate if the funding is committed or pending)
- ☒ Operating Proforma (highlighting PILOT contribution to project)
- ☒ Financing Mortgage – Acquisition loan
- ☒ Financing Note – Acquisition loan
- ☒ Financing or Development Agreement/Copy of Regulatory Agreement – Bond reservation letter and Tax Credit Reservation Letter
- ☒ Location Map of Project Parcels
- ☒ Property Manager Portfolio (of properties)
- ☐ ~~PILOT “Savings Worksheet” (template provided by Development Office)~~
- ☐ Other Attachment (Describe)

Provide explanation below if any required documents are unavailable at the time of this application.

N/A



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The applicant is responsible for providing written notification to the Development Office of any change in the information contained in this application or its attachments as soon as the applicant becomes aware of the change.

The Development Office reserves the right to request additional information and/or supporting documentation related to this application

The undersigned hereby attests that to the best of his or her knowledge the information presented herein, including the attachments, is true and correct.

A handwritten signature in black ink, appearing to read "RF", is written over a horizontal line.

Date: 6/11/2021

Signature of Authorized Representative

Name: Ryan Fuson

Title: Manager of General Partner

PORTER APARTMENTS (tbn THE PORTER)

98-UNIT PROJECT BASED SECTION 8 & LIHTC ELDERLY COMMUNITY IN LANSING, MI



PILOT Application - Project Description

June 2021

REDWOOD HOUSING

3101 BEE CAVES ROAD SUITE 220, AUSTIN, TX 78746

EMAIL: INFO@REDWOODHOUSING.COM

The Porter Limited Dividend Housing Association, Limited Partnership (the “Applicant”), an affiliate of Redwood Housing Partners, LLC (“Redwood Housing”), is pleased to submit the following application for the approval of a 4% PILOT to support the material improvement and preservation of Porter Apartments (the “Project”), an elderly-designated affordable housing development located in Lansing, Michigan.

The Project was originally built as a hotel in 1920, was converted to elderly-designated affordable housing in 1980, and was rehabilitated in 2007. Despite the renovation in 2007, the Project has not been well maintained and is generally in poor condition. As such, it would benefit from the Applicant’s proposed comprehensive renovation.

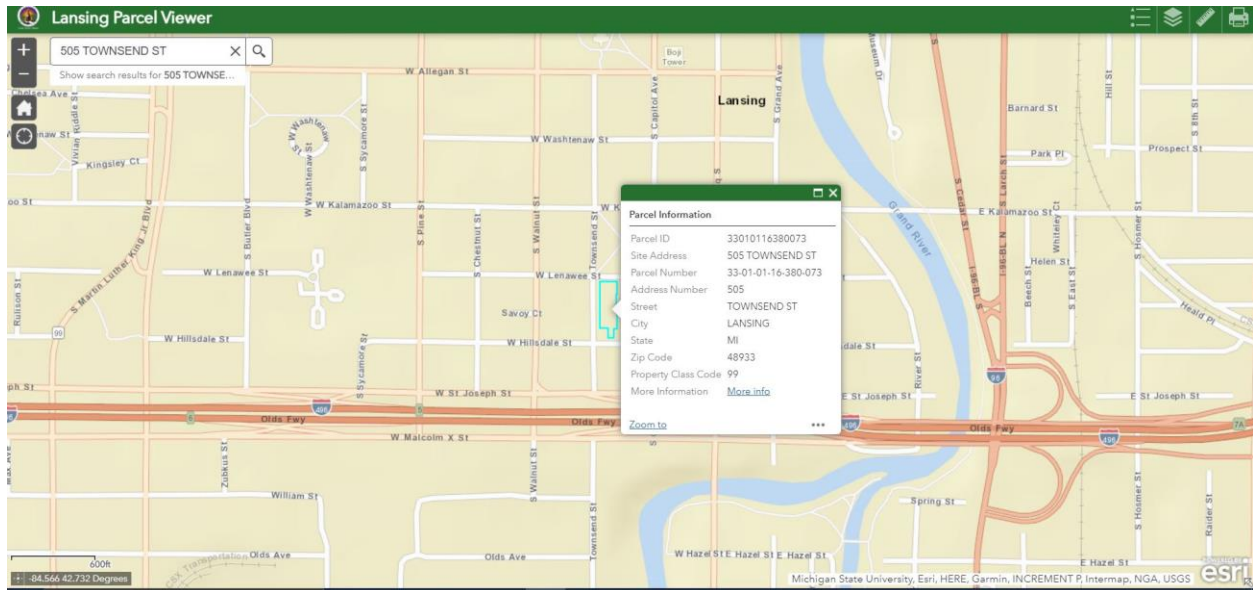
The Project, consisting of 98 one-bedroom apartments that average 630 square feet and 57 on-site surface parking spaces, is elderly designated and primarily serves tenants 62 years and older as well as persons with disabilities that earn less than 50% of area median income.

The Project is located at 505 Townsend Street in Lansing, Michigan, providing residents with convenient access to economic, employment and educational opportunities as well as immediate access to public transportation, medical facilities, retail stores, restaurants, and other services in downtown Lansing. The Project is located three blocks south of the Michigan State Capitol and directly across the street from Reutter Park. Additionally, residents benefit from property amenities, including but not limited to an elevator, secure access, onsite leasing office, service coordinator, laundry facilities and a community room with a kitchenette.

The proposed comprehensive renovation is anticipated to include repairs, replacements and upgrades to the building exterior and interior. Specifically, interior work is currently anticipated to include new flooring, casework and countertops, Energy Star appliances, energy-efficient lighting, kitchen and bathroom fixtures, mechanical upgrades, including cooling, and accessibility upgrades. Exterior work is currently anticipated to include façade repairs, roof replacement, concrete repairs, and upgraded site lighting. Furthermore, the rehabilitation is anticipated to include an elevator modernization, and upgrades to community amenities. The Project will target MSHDA Green Standards as applicable for an acquisition/rehabilitation.

The Applicant has engaged Housing Opportunities Unlimited (“HOU”) to provide temporary relocation services for the residents of the Project that may be temporarily impacted during the proposed rehabilitation. The current project phasing and schedule anticipates moving residents to offsite apartments for approximately 3 to 4 weeks. After unit renovations are completed, residents will be relocated back to a newly renovated apartment. No residents are anticipated to be permanently displaced as a result of the renovation and all costs associated with the renovation/temporary relocation will be borne by the Applicant.

The Porter Apartments – Parcel Map



Legal Description

Land Situated in the State of Michigan, County of Ingham, City of Lansing.

That part of Lots 7, 8, 9, 10, 11 and 12, Block 148, ORIGINAL PLAT OF THE CITY OF LANSING, Ingham County, Michigan, as recorded in Liber 2, Page 36 of Plats, Ingham County Records, described as: Beginning at the Northwest corner of Lot 12, Block 148; thence North 89 degrees 56 minutes 49 seconds East 122.52 feet on the North line of Block 148; thence South 00 degrees 04 minutes 36 seconds West 90.00 feet on a line 17.0 feet East of the East wall of the existing apartment building; thence South 47 degrees 31 minutes 21 seconds West 6.64 feet; thence South 00 degrees 04 minutes 36 seconds West 72.0 feet; thence South 89 degrees 49 minutes 35 seconds East 4.09 feet; thence South 00 degrees 04 minutes 37 seconds West 163.16 feet to the South line of Lot 8; thence North 89 degrees 59 minutes 02 seconds West 22.00 feet; thence South 00 degrees 16 minutes 09 seconds West 65.88 feet to the South line of Lot 7; thence South 89 degrees 56 minutes 24 seconds West 36.00 feet; thence North 00 degrees 09 minutes 48 seconds East 66.27 feet to the South line of Lot 8; thence South 89 degrees 42 minutes 06 seconds West 63.15 feet to the West line of Block 148; thence North 00 degrees 00 minutes 00 seconds East 329.51 feet on the West line of Block 148 to the point of beginning.



STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GRETCHEN WHITMER
GOVERNOR

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

May 20, 2021

Redwood Housing Partners, LLC
Attn: Felipe Serpa
3101 Bee Caves Rd., Ste. 200
Austin, TX 78746

Re: Proposal for Amended and Restated Pass-Through Bond Program
MSHDA No. 44c-184, The Porter Apartments (the "Development")
City of Lansing, Ingham County, Michigan

Dear Mr. Serpa:

We are pleased to advise you that the Authority has completed its preliminary review of the above-captioned proposal submitted for financing the Development under the MSHDA Amended and Restated Pass-Through Bond Program. The proposal has met all of the threshold requirements of this program and was accepted for processing pursuant to the Inducement Resolution adopted by the Authority at its meeting on May 20, 2021.

Therefore, and under the processing sequence of the Amended and Restated Pass-Through Bond Program, we have reserved tax-exempt bonding capacity in the amount of \$17,750,000 for this proposal. To preserve this reservation of bond cap, the sponsor must sign, date, and return this letter within 20 calendar days. By doing so, the sponsor also acknowledges an obligation to:

1. Provide sufficient information in a timely manner to Authority staff to prepare and submit an appropriate recommendation to the Authority to authorize a mortgage loan commitment, and
2. Cause the bonds financing the Development to be issued within 180 days of the date of your acceptance of this letter.

In addition, the sponsor acknowledges the risk that this proposal may not proceed if bonds are not issued by the end of this calendar year and if the Authority does not allocate additional bond cap to this Program. The actual allocation of bond cap will not take place until the Authority has adopted all appropriate resolutions and all closing requirements are met.

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
Michigan.gov/MSHDA • FAX 517-335-4797 • TOLL-FREE 855-MI-MSHDA (855-646-7432)

May 20, 2021
Page 2

We appreciate your continuing interest in the housing programs of the Authority and look forward to working with you again on this proposal.

Sincerely,

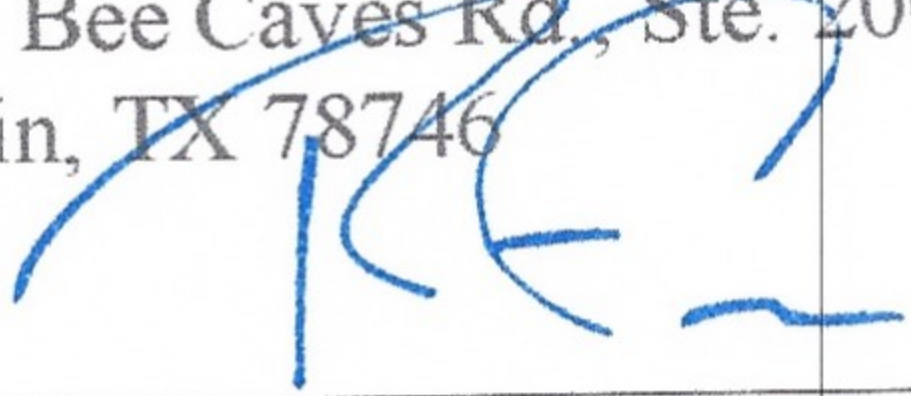
Richard M. Norton

Richard M. Norton
Deputy Director, Legal Affairs Division

cc: Geoffrey Ehnis-Clark, Staff Attorney, MSHDA Legal Affairs
Clarence L. Stone, Jr., Director, MSHDA Legal Affairs

Acknowledged and accepted this 26 day of May, 2021.

Redwood Housing Partners, LLC
3101 Bee Caves Rd., Ste. 200
Austin, TX 78746

By: 

Its: Managing Director



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

May 18, 2021

Felipe Serpa
The Porter Limited Dividend Housing Association, Limited Partnership
3101 Bee Caves Road, Suite 220
Austin, TX 78746

Re: Porter Apartments, The (Project # T21075)

Dear Mr. Serpa:

The Michigan State Housing Development Authority has awarded the above referenced project a Reservation for Low Income Housing Tax Credit in an annual amount up to **\$925,332**. The Reservation document, included with this letter, is to be signed by an authorized representative of your organization, **notarized**, and returned to this office within ten days. The Reservation will not be considered valid, and the project will not be considered to have Tax Credits, until the signed document is received in our office.

IMPORTANT NOTE on SUBSIDY LAYERING REVIEWS (SLR) and APPRAISAL REQUIREMENTS: For projects relying on the use of funding from HUD, USDA RD and/or MSHDA – Please refer to the SLR Memorandum of Understanding (SLR MOU) and related documents on MSHDA's website for information regarding whether a SLR is required for your project and the process for having a SLR completed. According to the SLR MOU, Applicants should expect 30-40 working days to complete an SLR and are encouraged to coordinate and plan accordingly. A SLR will also be conducted at the time of final review after construction completion. For all projects having an acquisition cost as a part of the total project costs, please review LIHTC Allocation Policy #8, Real Estate Appraisal Requirements, found in Tab W of MSHDA's Combined Application for Rental Housing Programs, to understand how the acquisition costs included in the transaction will be valued.

With regard to future deadlines the project will be expected to meet in order to demonstrate substantial progress, owners should also be reminded that all of the requirements of Section XII of the 2021 Qualified Allocation Plan must be fulfilled within one year of the date of the Reservation. **Failure to fulfill these requirements will result in a loss of credit to the project and may result in negative points to the Applicant in future funding rounds.**

Also enclosed is the Gross Rent Floor Election form. This form must be signed and returned with the Reservation document.

The Authority charges a fee equal to 6% of the annual tax credit dollar amount awarded. Three percent of the annual tax credit dollar amount, **\$27,760**, is to be returned with the executed Reservation form. The remaining 3% shall be due following our review of the documents required within one year of the date of the Reservation.

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
Michigan.gov/MSHDA • FAX 517-335-4797 • TOLL-FREE 855-MI-MSHDA (855-646-7432)



Porter Apartments, The
May 18, 2021
Page 2

All signed documents should be returned to the attention of Carol Thompson in the Low Income Housing Tax Credit Program office at the address below:

MSHDA
Low Income Housing Tax Credit Program
735 East Michigan Avenue
PO Box 30044
Lansing, MI 48909

If sending via overnight mail, leave out the PO Box and use Zip Code 48912.

If you have any questions regarding this process, please call LIHTC Staff at (517) 335-9802.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth A Rademacher".

Elizabeth A. Rademacher
Acting Allocations Manager
Low Income Housing Tax Credit Program

Enclosure

invMichigan State Housing Development Authority

LOW INCOME HOUSING TAX CREDIT PROGRAM

735 East Michigan Avenue
PO Box 30044
Lansing, MI 48909
(517) 373-6007

INVOICE Reservation Fee

DATE: May 18, 2021

TO: Mr. Felipe Serpa
The Porter Limited Dividend Housing Association, Limited Partnership

RE: Reservation Fee for **Porter Apartments, The** (Project # **T21075**)

AMOUNT OF RESERVATION: **\$ 925,332**

6% OF RESERVATION AMOUNT: **\$ 55,520**

3% OF RESERVATION AMOUNT DUE NOW: **\$ 27,760**

This fee is to be returned **within 10 days** along with the signed Reservation Document.

DETACH HERE

DETACH HERE

Retain top portion for your records

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
735 East Michigan Avenue, PO Box 30044
Lansing, MI 48909

Reservation Fee for **Porter Apartments, The** (Project # **T21075**)

AMOUNT DUE: **\$ 27,760**

AMOUNT ENCLOSED: **\$ 27,760**

Please send check or money order made payable to: **MSHDA**
(Do Not Send Cash)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, PO Box 30044
Lansing, Michigan 48909

RESERVATION OF LOW INCOME HOUSING TAX CREDIT

The Michigan State Housing Development Authority (the "Authority") has completed its review of your Application for Low Income Housing Tax Credit from its 2021 year tax credit authority. Subject to the terms and conditions below, the Authority has reserved tax credit authority (the "Reservation") for the buildings in the project described below.

OWNER: The Porter Limited Dividend Housing Association, Limited Partnership
3101 Bee Caves Road, Suite 220
Austin, TX 78746

TAXPAYER ID#: 86-1849176

PROJECT: Porter Apartments, The
505 Townsend Street
Lansing, MI 48933

Amount of Reservation: \$925,332
Number of Buildings: 1
Number of Low-Income Units: 98/98
Authority Set-Aside: Tax Exempt

Terms and Conditions

1. This Reservation has been issued in reliance on the Application submitted, and the information contained therein is considered material. It is conditioned on the Applicant's agreement to submit all required applications, documentation and certifications and comply with all requirements for a Low Income Housing Tax Credit ("LIHTC") imposed by Federal and State laws, rules, and regulations. This Reservation does not bind the Authority to issue an Allocation of tax credit authority.
2. The following minimum set-aside has been elected by the Applicant:

At least forty percent (40%) of the units will be both rent restricted and occupied by tenants whose gross income does not exceed sixty percent (60%) of the area median gross income adjusted for family size.
3. This Reservation will be valid for a maximum of one year from the date of issuance. However, this Reservation is not a covenant by the Authority that it will make an allocation of tax credit authority to the Applicant.

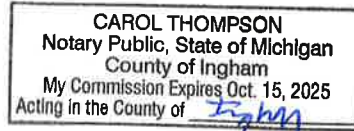
4. The Authority makes no representations concerning, or guarantee that the Applicant will ultimately be eligible to receive a tax credit. Determination of the Applicant's eligibility to claim the tax credit, once allocated, will be made by the Internal Revenue Service.
5. The Authority is not responsible for any actions taken by the Applicant based on this Reservation.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

By: C.D.R. Date signed: 5/18/2021
Chad Benson
Director of Development

The foregoing instrument was acknowledged before me this 18th day of May, 2021
Carol Thompson, Notary Public

Ingham County, Michigan.
My Commission expires 10/15/2025



♦ ♦ ♦

The Porter Limited Dividend Housing Association, Limited Partnership

(Owner)

By:

Signature

Jeff Green
Typed or Printed Name

Date Signed

5/19/2021
manager of General Partner
Office Held

The foregoing instrument was acknowledged before me this 19th day of May, 2021
Meghan Marie Bean, Notary Public, Travis County,
Texas (State). My Commission expires: 01-20-2024



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Low Income Housing Tax Credit Program

POLICY STATEMENT

GROSS RENT FLOOR ELECTION

The maximum (gross) rent which a project owner can charge for a LIHTC eligible low income unit is based on the Multifamily Tax Subsidy Program (MTSP) area median gross income (AMGI). Under Section 42 of the Internal Revenue Code, the gross rent for a unit cannot exceed 30 percent of the imputed income limit for a qualified low income household (50 percent or 60 percent of AMGI).

The MTSP AMGI figures are published by the Department of Housing and Urban Development and are revised on an annual basis. As the MTSP AMGI of an area changes, the rent limitation for a particular unit will change; however the Housing and Economic Recovery Act of 2008 indicates that a qualified project's income and rent limits never have to decrease from a prior years applicable limits.

If the AMGI decreases, a reduction in the gross rent may be required. However, the gross rent limitation does not ever need to go below the limitation applicable for the earliest period the building (that contains the unit) was included in the determination of whether the project is a qualified low-income housing project (gross rent floor).

IRS Revenue Procedure 94-57 provides clarification on determining the effective date of the gross rent floor. It states the general rule that the gross rent floor takes effect on the date the credit agency initially allocates tax credit to a building (or date of reservation for Tax-Exempt buildings); however, an owner may elect to have the gross rent floor take effect on a building's placed in service date.

To establish the gross rent floor effective date from this time forward, a project owner will be required to file an election statement with the Michigan State Housing Development Authority (MSHDA Form # LIHTC 023). The project owner may opt to establish the gross rent floor at either the date of allocation (or date of reservation for Tax-Exempt buildings) or at the placed in service date. This election statement must be executed at the time of the issuance of the Reservation and/or Carryover of Low Income Housing Tax Credit. In any event, any election must be made prior to the placed in service date. Once this election is made, it is irreversible. Owners are not required to file any documentation with the IRS to make the election.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue – P.O. Box 30044
Lansing, Michigan 48909

GROSS RENT FLOOR ELECTION STATEMENT
LOW INCOME HOUSING TAX CREDIT

As owner of The Porter located in Lansing,
(Name of Project) (City or Township)

Ingham County, Michigan, I hereby elect the effective date of the gross rent floor
(County)

for this project to be:

☐ date of allocation (or date of reservation for Tax-Exempt)

☐ placed in service date

The Porter Limited Dividend Housing Association, Limited Partnership
(Name of Ownership Entity)

86 - 1849176

(Federal Taxpayer ID #)

(Signature of Authorized Official)

Manager of the General Partner
(Title)

Jeffrey Green

(Typed Name of Authorized Official)

5/26/2021

(Date)

T21075

(LIHTC Project #)

44c-184

(MSHDA Project #)

FOR MSHDA/LIHTC USE ONLY:

Date of Allocation:

(or date of reservation for Tax-Exempt buildings)

Placed in Service Date:

LIHTC 023
Gross Rent Floor Election

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Low Income Housing Tax Credit Program

POLICY STATEMENT

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(Name of Ownership Entity)

86 - 1849176

(Federal Taxpayer ID #)

(Signature of Authorized Official)

Manager of the General Partner
(Title)

Jeffrey Green

(Typed Name of Authorized Official)

5/26/2021

(Date)

T21075

(LIHTC Project #)

44c-184

(MSHDA Project #)

FOR MSHDA/LIHTC USE ONLY:

Date of Allocation:

(or date of reservation for Tax-Exempt buildings)

Placed in Service Date:

LIHTC 023
Gross Rent Floor Election

Sources and Uses

Sources	Amount		P / Unit		P / Sq Ft
Agency Loan	\$	12,100,000	\$	123,469.39	\$ 196
LIHTC Equity		8,329,726		84,997	135
HTC Equity		1,143,408		11,667	19
Operations		606,765		6,191	10
GP Equity		100		1	0
Deferred Developer Fe		538,636		5,496	9
Total Sources	\$	22,718,635	\$	231,823	\$ 368

Uses	Amount		P / Unit		P / Sq Ft
Acquisition	\$	8,300,000	\$	84,693.88	\$ 134
Renovation		9,373,956		95,653	152
Soft Costs		2,507,679		25,589	41
Reserves		437,000		4,459	7
Developer Fee		2,100,000		21,429	34
Total Uses	\$	22,718,635	\$	231,823	\$ 368

Operating Pro Forma

Redwood Housing Partners

Porter Apartments - Lansing

	Projections														
	Year 1 12/31/22	Year 2 12/31/23	Year 3 12/31/24	Year 4 12/31/25	Year 5 12/31/26	Year 6 12/31/27	Year 7 12/31/28	Year 8 12/31/29	Year 9 12/31/30	Year 10 12/31/31	Year 11 12/31/32	Year 12 12/31/33	Year 13 12/31/34	Year 14 12/31/35	Year 15 12/31/36
Rent Build-Up															
Rent Per Unit Per Month															
1 BR HAP	\$ 1,190	\$ 1,214	\$ 1,238	\$ 1,263	\$ 1,288	\$ 1,314	\$ 1,340	\$ 1,367	\$ 1,394	\$ 1,422	\$ 1,451	\$ 1,480	\$ 1,509	\$ 1,539	\$ 1,570
Total Rent Per Unit Per Month	\$1,190	\$1,214	\$1,238	\$1,263	\$1,288	\$1,314	\$1,340	\$1,367	\$1,394	\$1,422	\$1,451	\$1,480	\$1,509	\$1,539	\$1,570
Units															
1 BR HAP	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Total Units	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Potential Gross Rent															
1 BR HAP	\$1,399,440	\$1,427,429	\$1,455,977	\$1,485,097	\$1,514,799	\$1,545,095	\$1,575,997	\$1,607,517	\$1,639,667	\$1,672,460	\$1,705,910	\$1,740,028	\$1,774,828	\$1,810,325	\$1,846,531
Total Potential Gross Rent	\$1,399,440	\$1,427,429	\$1,455,977	\$1,485,097	\$1,514,799	\$1,545,095	\$1,575,997	\$1,607,517	\$1,639,667	\$1,672,460	\$1,705,910	\$1,740,028	\$1,774,828	\$1,810,325	\$1,846,531
Operating Income															
Potential Gross Rent	\$1,399,440	\$1,427,429	\$1,455,977	\$1,485,097	\$1,514,799	\$1,545,095	\$1,575,997	\$1,607,517	\$1,639,667	\$1,672,460	\$1,705,910	\$1,740,028	\$1,774,828	\$1,810,325	\$1,846,531
Less: Vacancy	(69,972)	(71,371)	(72,799)	(74,255)	(75,740)	(77,255)	(78,800)	(80,376)	(81,983)	(83,623)	(85,295)	(87,001)	(88,741)	(90,516)	(92,327)
Net Rental Income	\$1,329,468	\$1,356,057	\$1,383,179	\$1,410,842	\$1,439,059	\$1,467,840	\$1,497,197	\$1,527,141	\$1,557,684	\$1,588,837	\$1,620,614	\$1,653,026	\$1,686,087	\$1,719,809	\$1,754,205
Other Income															
Other	\$25,057	\$25,558	\$26,069	\$26,591	\$27,122	\$27,665	\$28,218	\$28,783	\$29,358	\$29,945	\$30,544	\$31,155	\$31,778	\$32,414	\$33,062
Service Coordinator	72,370	73,817	75,294	76,800	78,336	79,902	81,500	83,130	84,793	86,489	88,219	89,983	91,783	93,618	95,491
Total Other Income	\$97,427	\$99,376	\$101,363	\$103,390	\$105,458	\$107,567	\$109,719	\$111,913	\$114,151	\$116,434	\$118,763	\$121,138	\$123,561	\$126,032	\$128,553
Effective Gross Income	\$1,426,895	\$1,455,433	\$1,484,542	\$1,514,232	\$1,544,517	\$1,575,407	\$1,606,916	\$1,639,054	\$1,671,835	\$1,705,272	\$1,739,377	\$1,774,165	\$1,809,648	\$1,845,841	\$1,882,758
Operating Expenses															
Management	\$49,941	\$51,439	\$52,982	\$54,572	\$56,209	\$57,895	\$59,632	\$61,421	\$63,264	\$65,162	\$67,117	\$69,130	\$71,204	\$73,340	\$75,540
Administration	265,259	273,217	281,413	289,856	298,551	307,508	316,733	326,235	336,022	346,103	356,486	367,180	378,196	389,542	401,228
Project-paid Fuel	3,162	3,352	3,553	3,766	3,992	4,192	4,401	4,621	4,852	5,095	5,350	5,617	5,898	6,193	6,502
Common Electricity	33,641	35,659	37,799	40,067	42,471	44,595	46,824	49,165	51,624	54,205	56,915	59,761	62,749	65,886	69,181
Water & Sewer	127,797	135,465	143,593	152,208	161,341	169,408	177,878	186,772	196,111	205,916	216,212	227,023	238,374	250,292	262,807
Operating & Maintenance	109,032	112,303	115,672	119,142	122,716	126,398	130,190	134,096	138,118	142,262	146,530	150,926	155,454	160,117	164,921
Payment in Lieu of Taxes	4% 46,595	47,263	47,929	48,592	49,250	49,986	50,724	51,463	52,204	52,945	53,685	54,425	55,163	55,897	56,629
Insurance	28,768	29,631	30,520	31,436	32,379	33,350	34,350	35,381	36,442	37,536	38,662	39,822	41,016	42,247	43,514
Replacement & Reserves	29,400	30,282	31,190	32,126	33,090	34,083	35,105	36,158	37,243	38,360	39,511	40,696	41,917	43,175	44,470
Operating Expenses	\$693,595	\$718,611	\$744,652	\$771,765	\$799,999	\$827,414	\$855,838	\$885,313	\$915,880	\$947,583	\$980,468	\$1,014,580	\$1,049,970	\$1,086,690	\$1,124,792
NOI	\$733,300	\$736,822	\$739,889	\$742,468	\$744,518	\$747,994	\$751,077	\$753,741	\$755,954	\$757,688	\$758,909	\$759,584	\$759,677	\$759,151	\$757,965
Debt Service	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)	(627,952)
Cash Flow	\$105,348	\$108,870	\$111,937	\$114,516	\$116,566	\$120,042	\$123,125	\$125,789	\$128,002	\$129,736	\$130,957	\$131,632	\$131,725	\$131,199	\$130,013

06/04/2021 08:34 AM
INST. # 2021-024952
DERRICK QUINNEY
REGISTER OF DEEDS
INGHAM COUNTY MICHIGAN
RECORDED ON:
06/04/2021 09:08 AM
PAGES: 60

**MULTIFAMILY MORTGAGE
(MICHIGAN)**

PREPARED BY, RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Citibank, N.A.
Transaction and Asset Management Group/Post Closing
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Tanya Jimenez
Re: The Porter Deal ID No. 60000873

1.	DEFINITIONS.....	2
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**MULTIFAMILY MORTGAGE
(MICHIGAN)**

This **MULTIFAMILY MORTGAGE**, which includes an assignment of rents and security agreement (this “**Instrument**”), is dated for reference purposes only as of the 1st day of May, 2021, and will not be effective and binding on the parties hereto until the Closing Date (as hereinafter defined), by **THE PORTER LIMITED DIVIDEND HOUSING ASSOCIATION, LIMITED PARTNERSHIP**, a Michigan limited partnership, whose address is 3101 Bee Caves Road, Suite 220 Austin, Texas 78746, as grantor (“**Borrower**”), and **CITIBANK, N.A.**, a national banking association, whose address is 388 Greenwich Street, Trading 6th Floor, New York, New York, 10013, and its successors and assigns (“**Lender**”). Borrower’s organizational identification number is 802600238.

The Loan is made and the Indebtedness is evidenced by the Note in the original principal amount of SEVEN MILLION EIGHT HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$7,820,000), maturing on June 1, 2023, or December 1, 2023, in the event that Borrower exercises its extension option in accordance with the Note, or any earlier date on which the unpaid principal balance of the Note becomes due and payable, by acceleration or otherwise (the “**Maturity Date**”).

NOW THEREFORE:

Granting Clause. Borrower, in consideration of the Indebtedness, hereby irrevocably mortgages, warrants, grants, conveys and assigns to Lender, with power of sale, the Mortgaged Property, including the Land located in the City of Lansing, Ingham County, Michigan, and described in Exhibit A attached to this Instrument.

TO SECURE TO LENDER and its successors and assigns the repayment of the Indebtedness evidenced by the Note executed by Borrower and maturing on the Maturity Date, and all renewals, extensions and modifications of the Indebtedness, including, without limitation, the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12 and the performance of the covenants and agreements of Borrower contained in the Loan Documents, INCLUDING BORROWER’S COVENANT TO REPAY ALL FUTURE ADVANCES WITH INTEREST THEREON.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered except for the Permitted Encumbrances. Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any Permitted Encumbrances.

This Instrument is also a financing statement and a fixture filing under the Uniform Commercial Code of the Property Jurisdiction and the information set forth on Exhibit C is included for that purpose.

Covenants. Borrower and Lender covenant and agree as follows:

1. **DEFINITIONS.** The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

(a) **"Affiliate"** means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

(b) **"Agreement of Environmental Indemnification"** means that certain Agreement of Environmental Indemnification, dated as of the date hereof, by Borrower and Guarantor for the benefit of Beneficiary Parties.

(c) **"Bankruptcy Event"** means any one or more of the following:

- (i) (A) the commencement of a voluntary case under one or more of the Insolvency Laws by the Borrower; (B) the acknowledgment in writing by the Borrower that it is unable to pay its debts generally as they mature; (C) the making of a general assignment for the benefit of creditors by the Borrower; (D) the commencement of an involuntary case under one or more Insolvency Laws against the Borrower; or (E) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over the Borrower or any substantial part of the assets of the Borrower provided that any proceeding or case under (D) or (E) above is not dismissed within 90 days after filing;
- (ii) Any Guarantor or any Affiliate of a Guarantor files an involuntary petition against Borrower under one or more of the Insolvency Laws; or
- (iii) Both (A) an involuntary petition under any one or more of the Insolvency Laws is filed against Borrower or Borrower directly or indirectly becomes the subject of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction, or in equity, and (B) Borrower or any Affiliate of Borrower has acted in concert or conspired with such creditors of Borrower (other than Lender) to cause the filing thereof with the intent to interfere with enforcement rights of Lender after the occurrence of an Event of Default.

(d) **"Beneficiary Parties"** means Lender, any Servicer and their respective successors and assigns, together with any lawful owner, holder or pledgee of the Note.

(e) **"Borrower"** means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

(f) **"Borrower's Organizational Documents"** means, collectively: (i) the certificate of limited partnership, certificate or articles of formation or certificate or articles of organization of Borrower filed with the Office of the Secretary of State of Michigan on February 1, 2021, as the same may be amended and/or restated from time to time; and (ii) the Limited Partnership Agreement of Borrower, dated as of January 27, 2021, as the same may be amended and/or restated from time to time.

(g) **"Business Day"** means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(h) **"Closing Date"** has the meaning ascribed thereto in the Loan Agreement.

(i) **"Collateral Agreement"** means any separate agreement between Borrower and Lender or Servicer for the purpose of establishing tax, repair or replacement reserve or escrow accounts for the Mortgaged Property or granting Lender a security interest in any such accounts (including, without limitation, the Replacement Reserve Agreement), or any other agreement or agreements between Borrower, Lender or Servicer which provide for the establishment of any other fund, reserve or account.

(j) **"Collateral Assignments"** means, collectively, (i) the Assignment of Management Agreement, dated as of the date hereof, by Borrower and the Manager (as defined therein) to Lender, and (ii) the Assignment of Housing Assistance Payments Agreement, dated as of the date hereof, by Borrower to Lender.

(k) **"Control"** means, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors of a corporation, to select the managing partner of a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity.

(l) **"Credit Enhancer"** means a government sponsored enterprise that at any time, directly or indirectly, purchases the Loan or provides credit enhancement with respect to the Loan.

(m) **"Credit Enhancer Insurance Standards"** means the insurance standards and requirements set forth in the multifamily underwriting guidelines generated by the Credit Enhancer, as in effect from time to time.

(n) **"Environmental Permit"** means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(o) **"Event of Default"** means the occurrence of any event listed in Section 22.

(p) **"Fixtures"** means all property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(q) **"Governmental Authority"** means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(r) **"Guarantor"** means, individually and collectively, Redwood Housing Capital, LLC, a Delaware limited liability company, and/or any other person or entity which may hereafter become a guarantor of any of Borrower's obligations under the Loan.

(s) **"Hazardous Materials"** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("**PCBs**") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; radon; Mold; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "solid waste", "pesticide", "contaminant," or "pollutant", or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

(t) **"Hazardous Materials Laws"** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rule of common law (including, without limitation, nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other

government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to Borrower or to the Mortgaged Property, including, without limitation, those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation, or remediation of Hazardous Materials. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Air Act, the Occupational Safety and Health Act, and their state analogs.

(u) **“Impositions”** and **“Imposition Deposits”** shall have the meanings ascribed thereto in Section 7(a).

(v) **“Improvements”** means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(w) **“Indebtedness”** means collectively, the principal of, interest on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument, and any fees or expenses paid by Lender on behalf of Borrower to Lender, or any other party for the Loan or other amounts relating to the Loan Documents which are paid by Lender;

(x) **“Initial Owners”** means, with respect to Borrower or any other entity, the persons or entities who on the date of the Note, directly or indirectly, own in the aggregate 100% of the ownership interests in Borrower or that entity.

(y) **“Insolvency Laws”** means the United States Bankruptcy Code, 11 U.S.C. § 101, et seq., together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding, as amended from time to time, to the extent applicable to the Borrower.

(z) **“Land”** means the land described in Exhibit A.

(aa) **“Leases”** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

(bb) **"Lender"** means the entity identified as "Lender" in the first paragraph of this Instrument, or any subsequent holder of the Note.

(cc) **"Loan"** means the loan made by Lender to Borrower in an amount not to exceed the original principal amount of the Note, which loan is evidenced by the Note and secured by, among other things, this Instrument.

(dd) **"Loan Agreement"** means that certain Loan Agreement, dated as of the date hereof, by and between Borrower and Lender relating to the Loan, as the same may be amended, modified or supplemented from time to time.

(ee) **"Loan Documents"** means collectively, the Loan Agreement, the Note, this Instrument, the Agreement of Environmental Indemnification, all guaranties, all indemnity agreements, all Collateral Agreements, all Collateral Assignments, all O&M Programs, the MMP, and any other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the Loan, as such documents may be amended from time to time.

(ff) **"Material Property Agreements"** means any agreement which, in Lender's sole discretion, acting in good faith, materially affects the Mortgaged Property, the use thereof or otherwise materially affects the rights of Borrower or Beneficiary Parties in, to, and with respect to the Mortgaged Property or the proceeds therefrom, including, without limitation, each of the following: (i) the PILOT Agreement, (ii) all covenants, conditions and restrictions, including, without limitation, any declaration subjecting the Mortgaged Property to an association of owners or other community governance, (iii) any agreement regarding the abatement or exemption of real estate taxes, (iv) any easement pursuant to which the Mortgaged Property is granted access to a public right of way, (v) any material lease of all or any portion of the Mortgaged Property, (vi) any operating agreements relating to the Land or the Improvements and (vii) any regulatory agreements, declarations, land use restriction agreements or similar instruments affecting the Mortgaged Property including the operation or use thereof.

(gg) **"Maturity Date"** has the meaning ascribed thereto in the recitals to this Instrument.

(hh) **"MMP"** means an operations and maintenance plan, moisture management program and/or microbial operations and maintenance program approved by Lender to control water intrusion and prevent the development of Mold or moisture at the Mortgaged Property throughout the term of this Instrument. If required by Lender, the MMP shall contain a provision for (i) staff training, (ii) information to be provided to tenants, (iii) documentation of the plan, (iv) the appropriate protocol for incident response and remediation and (v) routine, scheduled inspections of common space and unit interiors.

(ii) **"Mold"** means mold, fungus, microbial contamination or pathogenic organisms.

(jj) **"Mortgaged Property"** means all of Borrower's present and future right, title and interest in and to all of the following:

- (i) the Land;
- (ii) the Improvements;
- (iii) the Fixtures;
- (iv) the Personalty;
- (v) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
- (vi) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;
- (vii) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (viii) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (ix) all Rents and Leases;
- (x) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, whether the foregoing are now due, past due, or to become due, all undisbursed proceeds of the loan secured by this Instrument, deposits forfeited by tenants, and, if Borrower is a

cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

- (xi) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated);
- (xii) all tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits;
- (xiii) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;
- (xiv) all documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter created; and
- (xv) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds, and all other cash and non-cash proceeds and products of any of the foregoing.

(kk) **"Note"** means that certain Multifamily Note, dated as of the Closing Date, executed and delivered by the Borrower, payable to Lender in the original principal amount of the Loan set forth in the recitals to this Instrument, including all schedules, riders, allonges and addenda, as the same may be amended, modified, or supplemented from time to time.

(ll) **"O&M Program"** has the meaning ascribed thereto in Section 18(d).

(mm) **"Permitted Encumbrances"** means any easements, encumbrances or restrictions listed on the schedule of exceptions in the title insurance policy issued to Lender as of the date of recordation of this Instrument insuring Lender's interest in the Mortgaged Property.

(nn) **"Permitted Transfer"** has the meaning ascribed thereto in Section 21(b).

(oo) **"Person"** means any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(pp) **“Personalty”** means all:

- (i) accounts (including deposit accounts) of Borrower related to the Mortgaged Property;
- (ii) Imposition Deposits;
- (iii) equipment, goods, supplies and inventory owned by Borrower that are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements (other than Fixtures), including furniture, furnishings, machinery, building materials, tools, books, records (whether in written or electronic form), computer equipment (hardware and software);
- (iv) other tangible personal property owned by Borrower which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or in the Improvements (other than Fixtures), including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances;
- (v) any operating agreements relating to the Land or the Improvements;
- (vi) any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements;
- (vii) documents, instruments, chattel paper, claims, deposits, deposit accounts, payment intangibles, other intangible property, general intangibles, and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a Governmental Authority; and
- (viii) any rights of Borrower in or under letters of credit.

(qq) **“PILOT Agreement”** means, pursuant to Section 125.1415a of Michigan Compiled Laws, that certain property tax exemption applied by the City of Lansing to the Project and, in lieu thereof, the requirement that the Project owner pay an annual service charge in an amount equal to four percent (4%) of the rental income (net of utilities) earned from the Project for the preceding year.

(rr) **"Project"** means that 98-unit multifamily residential project, known or to be known as The Porter and located in the City of Lansing, Ingham County, State of Michigan.

(ss) **"Property Jurisdiction"** means the State of Michigan.

(tt) **"Rents"** means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including, but not limited to payments under any Housing Assistance Payments Contract or similar agreements), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

(uu) **"Replacement Reserve Agreement"** means that certain Replacement Reserve Agreement, dated as of the date hereof, by and between Borrower and Lender.

(vv) **"Replacement Reserve Fund"** has the meaning ascribed thereto by the Replacement Reserve Agreement.

(ww) **"Servicer"** means the servicing party that is designated by Lender to service the Loan, together with its successors in such capacity.

(xx) **Intentionally Omitted.**

(yy) **"Taxes"** means, collectively, all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

(zz) **"Transfer"** means (i) a sale, assignment, transfer, or other disposition (whether voluntary, involuntary or by operation of law); (ii) the grant, creation, or attachment of a lien, encumbrance, or security interest (whether voluntary, involuntary or by operation of law); (iii) the issuance or other creation of a direct or indirect ownership interest; or (iv) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity.

(aaa) **"United States Bankruptcy Code"** means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., as amended from time to time.

2. **UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.**

(a) This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, **"UCC Collateral"**), and Borrower hereby

grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to prepare and file any and all financing statements, continuation statements and financing statement amendments, in such form as Lender may require to perfect or continue the perfection of this security interest without execution by Borrower. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements and/or amendments that Lender may require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral except for the Permitted Encumbrances. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

(b) Unless Borrower gives at least thirty (30) days' prior written notice to Lender and subject to Section 21 hereof, Borrower shall not: (i) change its name, identity, or structure of organization; (ii) change its state of organization through dissolution, merger, transfer of assets or otherwise; (iii) change its principal place of business (or chief executive office if more than one place of business); or (iv) add to or change any location at which any of the Mortgaged Property is stored, held or located. Such notice shall be accompanied by new financing statements and/or financing statement amendments in the same form as the financing statements delivered to Lender on the date hereof. Without limiting the foregoing, Borrower hereby authorizes and irrevocably appoints Lender and each of its officers attorneys-in-fact for Borrower to execute, deliver, and file, as applicable, such financing statements, continuation statements or amendments deemed necessary by Lender in its sole discretion for and on behalf of Borrower, without execution by Borrower. Borrower shall also execute and deliver to Lender modifications or supplements of this Instrument as Lender may require in connection with any change described in this Section.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments of Rents as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then

the Rents shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument. Upon the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid (such license shall be reinstated upon Borrower's cure of the Event of Default to the satisfaction of Lender). Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the occurrence of an Event of Default, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the right of Lender to collect Rents, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents.

(c) Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the Loan), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month's rent). Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month's rent).

(d) If an Event of Default has occurred and is continuing, Lender may, but shall in no event be required to, regardless of the adequacy of Lender's security or the

solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

(e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, except for the gross negligence or willful misconduct of Lender or its agents.

(f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

(g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in

this Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the "Mortgaged Property" as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Unless an Event of Default has occurred and is continuing, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. During the continuance of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property, except to the extent arising from the gross negligence or willful misconduct of Lender. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for

the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

(d) Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time during the continuance of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall (i) be on forms approved by Lender, (ii) be for initial terms of at least six (6) months and not more than two (2) years, (iii) not include options to purchase, (iv) be legally valid, binding, and enforceable obligations of the tenants, (v) contain language expressly stating that such Lease is subordinate to the lien of this Instrument and (vi) comply with all applicable laws.

(f) Except for laundry facilities and cable television services for tenants on market terms and conditions, Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender's prior written approval of the Lease agreement. Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Instrument) without the prior written consent of Lender. Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (i) such Leases are subordinate to the lien of this Instrument; (ii) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (iii) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (iv) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (v) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (vi) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

(g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance (other than a security deposit not in excess of one month's rent).

5. **PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS; PREPAYMENT PREMIUM.** Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents. Borrower shall pay a prepayment premium in connection with certain prepayments of the Indebtedness, including a payment made after Lender's exercise of any right of acceleration of the Indebtedness, as provided in the Note.

6. **EXCULPATION.** The personal liability of Borrower for payment of the Note and for performance of the other obligations to be performed by Borrower under this Instrument is limited in the manner, and to the extent, provided in the Note.

7. **DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.**

(a) Borrower shall deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire sum required to pay, when due (i) the premiums for fire and other hazard insurance, rental loss insurance and such other insurance as Lender may require under Section 19, and (ii) Taxes, all as reasonably estimated from time to time by Lender, plus one-twelfth of such estimate, if required by Lender. The amounts deposited under the preceding sentence are collectively referred to in this Instrument as the "**Imposition Deposits**". The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Instrument as "**Impositions**". The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, insurance premiums and each other Imposition.

(b) Imposition Deposits shall be held in an interest bearing account at an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Any interest, earnings or profits on the Imposition Deposits shall be credited to the account of Borrower in which escrows are held at least once per year. As additional security for all of Borrower's obligations under this Instrument and the other Loan Documents, Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits and all proceeds of and all interest and dividends on the Imposition Deposits. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7(e).

(c) If Lender receives a bill or invoice for an Imposition, Lender shall pay the Imposition from the Imposition Deposits held by Lender. Lender shall have no obligation to pay any Imposition to the extent it exceeds Imposition Deposits then held by Lender. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.

(d) If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount deemed necessary by Lender, plus one twelfth of such estimate if required by Lender, the excess shall be credited against future installments of Imposition Deposits. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount estimated by Lender to be necessary, plus one twelfth of such estimate if required by Lender, Borrower shall pay to Lender the amount of the deficiency within 15 days after notice from Lender.

(e) If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender's discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

(f) If Lender does not collect an Imposition Deposit pursuant to a separate written waiver by Lender, then on or before the date each such Imposition is due, or on the date this Instrument requires each such Imposition to be paid, Borrower shall, if required by Lender, provide Lender with proof of payment of each such Imposition for which Lender does not require collection of Imposition Deposits. Lender may, at any time and in Lender's discretion, revoke its deferral or waiver and require Borrower to deposit with Lender any or all of the Imposition Deposits listed in this Section 7.

8. **COLLATERAL AGREEMENTS.** Borrower shall deposit with Lender such amounts as may be required by the Loan Agreement and any Collateral Agreement and shall perform all other obligations of Borrower under the Loan Agreement and each Collateral Agreement.

9. **APPLICATION OF PAYMENTS.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument and the Note shall remain unchanged.

10. **COMPLIANCE WITH LAWS.** Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful

covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, disability accommodation, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

11. **USE OF PROPERTY.** Unless required by applicable law, Borrower shall not (a) allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Instrument was executed, except for any change in use approved by Lender, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate a change in the zoning classification of the Mortgaged Property or acquiesce in a change in the zoning classification of the Mortgaged Property, (d) establish any condominium or cooperative regime with respect to the Mortgaged Property; (e) combine all or any part of the Mortgaged Property with all or any part of a tax parcel which is not part of the Mortgaged Property, or (f) subdivide or otherwise split any tax parcel constituting all or any part of the Mortgaged Property without the prior consent of Lender.

12. **PROTECTION OF LENDER'S SECURITY; INSTRUMENT SECURES FUTURE ADVANCES.**

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document after the expiration of any applicable notice and cure period, or if any action or proceeding (including a Bankruptcy Event) is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, file such documents, disburse such sums and take such actions as Lender deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (i) payment of fees, expenses and reasonable fees of attorneys, accountants, inspectors and consultants, (ii) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (iii) procurement of the insurance required by Section 19 (specifically including, without limitation, flood insurance if required by Section 19), and (iv) payment of amounts which Borrower has failed to pay under Sections 15 and 17.

(b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be secured by this Instrument, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall

bear interest from the date of disbursement until paid at the "Default Rate", as defined in the Note.

(c) If the Lender shall elect to pay any sum due with reference to the Project or the Mortgaged Property, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Instrument and/or the other Loan Documents, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

(d) Nothing in this Section 12 shall require Lender to incur any expense or take any action.

13. INSPECTION.

(a) Lender and its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests to the extent permitted under Section 18) during normal business hours, or at any other reasonable time, upon reasonable notice to Borrower if the inspection is to include occupied residential units (which notice need not be in writing). Notice to Borrower shall not be required in the case of an emergency, as determined in Lender's discretion, or when an Event of Default has occurred and is continuing.

(b) If Lender determines that Mold has developed as a result of a water intrusion event or leak, Lender, at Lender's discretion, may require that a professional inspector inspect the Mortgaged Property as frequently as Lender determines is necessary until any issue with Mold and its cause(s) are resolved to Lender's satisfaction. Such inspection shall be limited to a visual and olfactory inspection of the area that has experienced the Mold, water intrusion event or leak. Borrower shall be responsible for the cost of such professional inspection and any remediation deemed to be necessary as a result of the professional inspection. After any issue with Mold, water intrusion or leaks is remedied to Lender's satisfaction, Lender shall not require a professional inspection any more frequently than once every three years unless Lender is otherwise aware of Mold as a result of a subsequent water intrusion event or leak.

(c) If Lender determines not to conduct an annual inspection of the Mortgaged Property, and in lieu thereof Lender requests a certification, Borrower shall be prepared to provide and must actually provide to Lender a factually correct certification each year that the annual inspection is waived to the following effect: that Borrower represents and warrants that Borrower has not received any written complaint, notice, letter or other written communication from tenants, management agent or any Governmental Authority regarding odors, indoor air quality, Mold or any activity, condition, event or omission that causes or facilitates the growth of Mold on or in any part of the Mortgaged Property, or if Borrower has received any such written complaint,

notice, letter or other written communication, that Borrower has investigated and determined that no Mold activity, condition or event exists or alternatively has fully and properly remediated such activity, condition, event or omission in compliance with the MMP for the Mortgaged Property. If Borrower is unwilling or unable to provide such certification, Lender may require a professional inspection of the Mortgaged Property at Borrower's expense.

14. BOOKS AND RECORDS; FINANCIAL REPORTING.

(a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's offices, and upon Lender's request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender upon reasonable advance oral notice.

(b) Borrower shall furnish to Lender all of the following:

- (i) (1) except as provided in clause (2) below, within 45 days after the end of each fiscal quarter of Borrower, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each fiscal quarter, (2) within 120 days after the end of each fiscal year of Borrower, (A) a statement of income and expenses for Borrower's operation of the Mortgaged Property for such fiscal year, (B) a statement of changes in financial position of Borrower relating to the Mortgaged Property for such fiscal year, and (C) when requested by Lender, a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of such fiscal year; and (3) any of the foregoing at any other time upon Lender's request;
- (ii) within 45 days after the end of each fiscal quarter of Borrower, and at any other time, within ten (10) days following Lender's request, a rent schedule for the Mortgaged Property showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;
- (iii) within 120 days after the end of each fiscal year of Borrower, and at any other time, within ten (10) days following Lender's request, an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such

security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

- (iv) within 120 days after the end of each fiscal year of Borrower, and at any other time, within ten (10) days following Lender's request, a statement that identifies all owners of any interest in Borrower and the interest held by each, if Borrower is a corporation, all officers and directors of Borrower, and if Borrower is a limited liability company, all managers who are not members;
- (v) within ten (10) days following Lender's request, a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender;
- (vi) within ten (10) days following Lender's request, a balance sheet, a statement of income and expenses for Borrower and a statement of changes in financial position of Borrower for Borrower's most recent fiscal year;
- (vii) annually, if applicable, within 60 days of the date required for submission by the agency in the Property Jurisdiction responsible for monitoring the low income housing tax credit program, a low income housing tax credit compliance report in form and substance acceptable to Lender; and
- (viii) if required by Lender, within 30 days of the end of each calendar month, a monthly statement of income and expenses for such calendar month on a year-to-date basis for Borrower's operation of the Mortgaged Property.

(c) Each of the statements, schedules and reports required by Section 14(b) shall be certified to be complete and accurate by an individual having authority to bind Borrower and shall be in such form and contain such detail as Lender may require. Lender also may require that any statements, schedules or reports be audited at Borrower's expense by independent certified public accountants acceptable to Lender.

(d) If Borrower fails to provide in a timely manner the statements, schedules and reports required by Section 14(b), Lender shall have the right to have Borrower's books and records audited, at Borrower's expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12.

(e) If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

(f) Borrower authorizes Lender to obtain a credit report on Borrower at any time.

15. TAXES; OPERATING EXPENSES.

(a) Subject to the provisions of Section 15(c) and Section 15(d), Borrower shall pay, or cause to be paid, all Taxes when due and before the imposition of any interest, fine, penalty or cost for nonpayment.

(b) Subject to the provisions of Section 15(c), Borrower shall pay (i) the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added, and (ii) insurance premiums at least 30 days prior to the expiration date of each policy of insurance, unless applicable law specifies some lesser period.

(c) If Lender is collecting Imposition Deposits, and to the extent that Lender holds sufficient Imposition Deposits for the purpose of paying a specific Imposition, then Borrower shall not be obligated to pay such Imposition, so long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that any Event of Default has occurred and is continuing, insufficient Imposition Deposits are held by Lender at the time an Imposition becomes due and payable or Borrower has failed to provide Lender with bills and premium notices as provided above.

(d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (i) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (ii) the Mortgaged Property is not in danger of being sold or forfeited, (iii) Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (iv) Borrower furnishes whatever additional security is required in the proceedings or is requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.

(e) Borrower shall promptly deliver to Lender copies of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender on or before the date this Instrument requires such Impositions to be paid, copies of receipts evidencing that such payments were made.

(f) All payments made by Borrower to Lender pursuant to this Instrument or any of the Loan Documents shall be free and clear of any and all tax liabilities whatsoever (other than United States federal income taxation payable by Lender) and, to the extent Lender is required to pay any such tax liabilities, Borrower shall reimburse Lender in respect of any such payment of taxes and, immediately upon request from Lender, shall deliver to Lender copies of receipts evidencing the payment of such taxes.

16. **LIENS; ENCUMBRANCES.** Borrower acknowledges that, to the extent provided in Section 21, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "Lien") on the Mortgaged Property (other than the lien of this Instrument and the Permitted Encumbrances and Permitted Transfers) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Instrument, is a "Transfer" which constitutes an Event of Default and subjects Borrower to personal liability under the Note. Borrower shall maintain the lien created by this Instrument as a first mortgage lien upon the Mortgaged Property, subject to no other Liens or encumbrances other than Permitted Encumbrances.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.

(a) Borrower shall not commit waste or permit impairment or deterioration of the Mortgaged Property (normal wear and tear excepted).

(b) Borrower shall not abandon the Mortgaged Property.

(c) Borrower shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair.

(d) Borrower shall keep the Mortgaged Property in good repair (normal wear and tear excepted), including the replacement of Personalty and Fixtures with items of equal or better function and quality.

(e) Borrower shall provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender at all times, under a contract approved by Lender, in writing, which contract must be terminable upon not more than thirty (30) days notice without the necessity of establishing cause and without payment of a penalty or termination fee by Borrower or its successors. There shall be no change in the property manager or any contract for the management of the Mortgaged Property without Lender's prior written approval. Lender shall have the right to require that Borrower and any new property manager enter into an Assignment of Management Agreement on a form approved by Lender. If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an

agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(f) Borrower shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property, including any removal, demolition or alteration occurring in connection with a rehabilitation of all or part of the Mortgaged Property, except (i) in connection with the replacement of tangible Personalty and (ii) repairs and replacements in connection with making an individual unit ready for a new occupant.

(g) Unless otherwise waived by Lender in writing, Borrower must have or must establish and must adhere to the MMP. If Borrower is required to have an MMP, Borrower must keep all MMP documentation at the Mortgaged Property or at the management agent's office and available for Lender or its agents to review during any annual assessment or inspection of the Mortgaged Property that is required by Lender.

18. ENVIRONMENTAL HAZARDS.

(a) Except for matters described in Section 18(b), Borrower shall not cause or permit any of the following:

- (i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of Borrower that is adjacent to the Mortgaged Property;
- (ii) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties);
- (iii) any occurrence or condition on the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws;
- (iv) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property;

- (v) the imposition of any environmental lien against the Mortgaged Property; or
- (vi) any violation or noncompliance with the terms of any O&M Program.

The matters described in clauses (i) through (vi) above, except as otherwise provided in Section 18(b), are referred to collectively in this Section 18 as “**Prohibited Activities or Conditions**”.

(b) Prohibited Activities or Conditions shall not include lawful conditions permitted by an O&M Program or the safe and lawful use and storage of quantities of (i) pre-packaged supplies, cleaning materials, petroleum products, household products, paints, solvents, lubricants and other materials customarily used in the construction, renovation, operation, maintenance or use of comparable multifamily properties, (ii) cleaning materials, household products, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (iii) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property’s parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) If and as required by Lender, Borrower shall also establish a written operations and maintenance program with respect to certain Hazardous Materials. Each such operations and maintenance program and any additional or revised operations and maintenance programs established for the Mortgaged Property pursuant to this Instrument must be approved by Lender and shall be referred to herein as an “**O&M Program**.” Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with each O&M Program. Borrower shall pay all costs of performance of Borrower’s obligations under any O&M Program, and any Beneficiary Party’s reasonable out-of-pocket costs incurred by such Beneficiary Party in connection with the monitoring and review of each O&M Program and Borrower’s performance shall be paid by Borrower upon demand by such Beneficiary Party. Any such out-of-pocket costs of such Beneficiary Party which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.

(e) Without limitation of the foregoing, (i) Borrower hereby agrees to implement and maintain during the entire term of the Loan the O&M Program(s), and

(ii) if asbestos-containing materials are found to exist at the Mortgaged Property, the O&M Program with respect thereto shall be undertaken consistent with the Guidelines for Controlling Asbestos-Containing Materials in Buildings (USEPA, 1985) and other relevant guidelines and applicable Hazardous Materials Laws.

(f) With respect to any O&M Program, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify; (ii) amendments to such O&M Program to address changing circumstances, laws or other matters, including, without limitation, variations in response to reports provided by environmental consultants; and (iii) execution of an Operations and Maintenance Agreement relating to such O&M Program satisfactory to Lender.

(g) Borrower represents and warrants to Beneficiary Parties that, except as otherwise disclosed in the Environmental Reports (as defined in the Agreement of Environmental Indemnification):

- (i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;
- (ii) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed, and Borrower has provided Lender with copies of all reports and information acquired in such inquiries;
- (iii) the Mortgaged Property does not now contain any underground storage tanks and, to the best of Borrower's knowledge, the Mortgaged Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Mortgaged Property that has been disclosed in the Environmental Reports, that tank complies with all requirements of Hazardous Materials Laws;
- (iv) Borrower has complied with and will continue to comply with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;
- (v) to the best of Borrower's knowledge after reasonable and diligent inquiry, no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit or Hazardous Materials Law;

- (vi) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition;
- (vii) Borrower has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;
- (viii) no prior Remedial Work (as defined below) has been undertaken, and no Remedial Work is ongoing, with respect to the Mortgaged Property during Borrower's ownership thereof or, to the best of Borrower's knowledge, at any time prior to Borrower's ownership thereof; and
- (ix) Borrower has disclosed in the Agreement of Environmental Indemnification all material facts known to Borrower or contained in Borrower's records the nondisclosure of which could cause any representation or warranty made herein or any statement made in the Agreement of Environmental Indemnification to be false or materially misleading.

The representations and warranties in this Section 18 shall be continuing representations and warranties that shall be deemed to be made by Borrower throughout the term of the Loan, until the Indebtedness has been paid in full or otherwise discharged.

(h) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

- (i) Borrower's discovery of any Prohibited Activity or Condition;
- (ii) Borrower's receipt of or knowledge of any complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;
- (iii) Borrower's receipt of or knowledge of any personal injury claim, proceeding or cause of action directly or indirectly arising as a result of the presence of asbestos or other Hazardous Materials on or from the Mortgaged Property;

- (iv) Borrower's discovery that any representation or warranty in this Section 18 has become untrue after the date of this Instrument; and
- (v) Borrower's breach of any of its obligations under this Section 18.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Note, or any other Loan Document.

(i) Borrower shall pay promptly the costs of any environmental inspections, tests or audits ("**Environmental Inspections**") required by Lender or any Beneficiary Party in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 21, or required by Lender following a determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including, without limitation, fees and expenses of attorneys, expert witnesses, engineers, technical consultants and investigatory fees, whether incurred in connection with any judicial or administrative process or otherwise) that Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. The results of all Environmental Inspections shall at all times remain the property of Lender. As long as (i) no Event of Default has occurred and is continuing, (ii) Borrower has actually paid for or reimbursed Lender for all costs of any such Environmental Inspections performed or required by Lender, and (iii) Lender is not prohibited by law, contract or otherwise from doing so, Lender shall make available to Borrower, without representation of any kind, copies of Environmental Inspections prepared by third parties and delivered to Lender. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any of Lender's Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender's Environmental Inspections.

(j) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("**Remedial Work**") is necessary to comply with or cure a violation of any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, or is otherwise required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Borrower shall, by the earlier of (i) the applicable deadline required by such Hazardous Materials Law or (ii) thirty (30) days

after notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by such Hazardous Materials Law. Borrower shall promptly provide Lender with a cost estimate from an environmental consultant acceptable to Lender to complete any required Remedial Work. If required by Lender, Borrower shall promptly establish with Lender a reserve fund in the amount of such estimate, the proceeds of which shall be disbursed to Borrower to fund invoiced costs and expenses incurred thereby in connection with the Remedial Work. If in Lender's opinion the amount reserved at any time during the Remedial Work is insufficient to cover the work remaining to complete the Remedial Work or achieve compliance, Borrower shall increase the amount reserved in compliance with Lender's written request. All amounts so held in reserve, until disbursed, are hereby pledged to Lender as security for payment of Borrower's obligations under this Instrument. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.

(k) Borrower shall comply with all Hazardous Materials Laws applicable to the Mortgaged Property. Without limiting the generality of the previous sentence, Borrower shall (i) obtain and maintain all Environmental Permits required by Hazardous Materials Laws and comply with all conditions of such Environmental Permits; (ii) cooperate with any inquiry by any Governmental Authority; and (iii) comply with any governmental or judicial order that arises from any alleged Prohibited Activity or Condition.

(l) BORROWER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND BENEFICIARY PARTIES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, EMPLOYEES, AGENTS, ATTORNEYS, TRUSTEES, HEIRS AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST ALL LOSSES, PROCEEDINGS, CLAIMS, DAMAGES, PENALTIES AND COSTS (WHETHER INITIATED OR SOUGHT BY GOVERNMENTAL AUTHORITIES OR PRIVATE PARTIES), INCLUDING, WITHOUT LIMITATION, FEES AND OUT-OF-POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, ENGINEERING FEES, ENVIRONMENTAL CONSULTANT FEES, INVESTIGATORY FEES, AND REMEDIATION COSTS (INCLUDING, WITHOUT LIMITATION, ANY FINANCIAL ASSURANCES REQUIRED TO BE POSTED FOR COMPLETION OF REMEDIAL WORK AND COSTS ASSOCIATED WITH ADMINISTRATIVE OVERSIGHT), AND ANY OTHER LIABILITIES OF WHATEVER KIND AND WHATEVER NATURE, WHETHER INCURRED IN CONNECTION WITH ANY JUDICIAL OR ADMINISTRATIVE PROCESS OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY FROM ANY OF THE FOLLOWING:

- (i) ANY BREACH OF ANY REPRESENTATION OR WARRANTY OF BORROWER IN THIS SECTION 18;

- (ii) ANY FAILURE BY BORROWER TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS SECTION 18;
- (iii) THE EXISTENCE OR ALLEGED EXISTENCE OF ANY PROHIBITED ACTIVITY OR CONDITION ON OR FROM THE MORTGAGED PROPERTY;
- (iv) THE PRESENCE OR ALLEGED PRESENCE OF HAZARDOUS MATERIALS ON OR UNDER THE MORTGAGED PROPERTY (WHETHER AS A RESULT OF ACTIVITIES ON THE MORTGAGED PROPERTY OR ON SURROUNDING PROPERTIES) OR IN ANY OF THE IMPROVEMENTS OR ON OR UNDER ANY PROPERTY OF BORROWER THAT IS ADJACENT TO THE MORTGAGED PROPERTY;
- (v) THE ACTUAL OR ALLEGED VIOLATION OF ANY HAZARDOUS MATERIALS LAW;
- (vi) ANY LOSS OR DAMAGE RESULTING FROM A LOSS OF PRIORITY OF THIS INSTRUMENT OR ANY OTHER LOAN DOCUMENT DUE TO AN IMPOSITION OF AN ENVIRONMENTAL LIEN AGAINST THE MORTGAGED PROPERTY; AND
- (vii) ANY PERSONAL INJURY CLAIM, PROCEEDING OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY ARISING AS A RESULT OF THE PRESENCE OF ASBESTOS OR OTHER HAZARDOUS MATERIALS ON OR FROM THE MORTGAGED PROPERTY.

(m) COUNSEL SELECTED BY BORROWER TO DEFEND INDEMNITEES SHALL BE SUBJECT TO THE APPROVAL OF THOSE INDEMNITEES. IN ANY CIRCUMSTANCES IN WHICH THE INDEMNITY UNDER THIS SECTION 18 APPLIES, ANY BENEFICIARY PARTY MAY EMPLOY ITS OWN LEGAL COUNSEL AND CONSULTANTS TO PROSECUTE, DEFEND OR NEGOTIATE ANY CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING AT BORROWER'S EXPENSE, AND SUCH BENEFICIARY PARTY, WITH THE PRIOR WRITTEN CONSENT OF BORROWER (WHICH SHALL NOT BE UNREASONABLY WITHHELD, DELAYED OR CONDITIONED) MAY SETTLE OR COMPROMISE ANY ACTION OR LEGAL OR ADMINISTRATIVE PROCEEDING. BORROWER SHALL REIMBURSE SUCH BENEFICIARY PARTY UPON DEMAND FOR ALL COSTS AND EXPENSES INCURRED BY SUCH BENEFICIARY PARTY, INCLUDING, WITHOUT LIMITATION, ALL COSTS OF SETTLEMENTS ENTERED INTO IN GOOD FAITH, AND THE FEES AND OUT OF POCKET EXPENSES OF SUCH ATTORNEYS AND CONSULTANTS.

(n) BORROWER SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THOSE INDEMNITEES WHO ARE NAMED AS PARTIES TO A CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING (A "CLAIM"), SETTLE OR COMPROMISE THE CLAIM IF THE SETTLEMENT (1) RESULTS IN THE ENTRY OF ANY JUDGMENT THAT DOES NOT INCLUDE AS AN UNCONDITIONAL TERM THE DELIVERY BY THE CLAIMANT OR PLAINTIFF TO BENEFICIARY PARTIES OF A WRITTEN RELEASE OF THOSE INDEMNITEES, SATISFACTORY IN FORM AND SUBSTANCE TO LENDER; OR (2) MAY MATERIALLY AND ADVERSELY AFFECT BENEFICIARY PARTIES, AS DETERMINED BY LENDER IN ITS DISCRETION.

(o) BORROWER'S OBLIGATION TO INDEMNIFY THE INDEMNITEES SHALL NOT BE LIMITED OR IMPAIRED BY ANY OF THE FOLLOWING, OR BY ANY FAILURE OF BORROWER OR ANY GUARANTOR TO RECEIVE NOTICE OF OR CONSIDERATION FOR ANY OF THE FOLLOWING:

- (i) ANY AMENDMENT OR MODIFICATION OF ANY LOAN DOCUMENT;
- (ii) ANY EXTENSIONS OF TIME FOR PERFORMANCE REQUIRED BY ANY LOAN DOCUMENT;
- (iii) ANY PROVISION IN ANY LOAN DOCUMENT LIMITING BENEFICIARY PARTIES' RECOURSE TO PROPERTY SECURING THE INDEBTEDNESS, OR LIMITING THE PERSONAL LIABILITY OF BORROWER OR ANY OTHER PARTY FOR PAYMENT OF ALL OR ANY PART OF THE INDEBTEDNESS;
- (iv) THE ACCURACY OR INACCURACY OF ANY REPRESENTATIONS AND WARRANTIES MADE BY BORROWER UNDER THIS INSTRUMENT OR ANY OTHER LOAN DOCUMENT;
- (v) THE RELEASE OF BORROWER OR ANY OTHER PERSON, BY BENEFICIARY PARTIES OR BY OPERATION OF LAW, FROM PERFORMANCE OF ANY OBLIGATION UNDER ANY LOAN DOCUMENT;
- (vi) THE RELEASE OR SUBSTITUTION IN WHOLE OR IN PART OF ANY SECURITY FOR THE INDEBTEDNESS; AND
- (vii) FAILURE BY BENEFICIARY PARTIES TO PROPERLY PERFECT ANY LIEN OR SECURITY INTEREST GIVEN AS SECURITY FOR THE INDEBTEDNESS.

(p) BORROWER SHALL, AT ITS OWN COST AND EXPENSE, DO ALL OF THE FOLLOWING:

- (i) PAY OR SATISFY ANY JUDGMENT OR DECREE THAT MAY BE ENTERED AGAINST ANY INDEMNITEE OR INDEMNITEES IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING INCIDENT TO ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18;
- (ii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES PAID OR INCURRED IN CONNECTION WITH ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18; AND
- (iii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES, INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND OUT OF POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, PAID OR INCURRED IN CONNECTION WITH THE ENFORCEMENT BY INDEMNITEES OF THEIR RIGHTS UNDER THIS SECTION 18, OR IN MONITORING AND PARTICIPATING IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING.

(q) THE PROVISIONS OF THIS SECTION 18 SHALL BE IN ADDITION TO ANY AND ALL OTHER OBLIGATIONS AND LIABILITIES THAT BORROWER MAY HAVE UNDER APPLICABLE LAW OR UNDER ANY OTHER LOAN DOCUMENT, AND EACH INDEMNITEE SHALL BE ENTITLED TO INDEMNIFICATION UNDER THIS SECTION 18 WITHOUT REGARD TO WHETHER ANY OTHER BENEFICIARY PARTY OR THAT INDEMNITEE HAS EXERCISED ANY RIGHTS AGAINST THE MORTGAGED PROPERTY OR ANY OTHER SECURITY, PURSUED ANY RIGHTS AGAINST ANY GUARANTOR, OR PURSUED ANY OTHER RIGHTS AVAILABLE UNDER THE LOAN DOCUMENTS OR APPLICABLE LAW. IF BORROWER CONSISTS OF MORE THAN ONE PERSON OR ENTITY, THE OBLIGATION OF THOSE PERSONS OR ENTITIES TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL BE JOINT AND SEVERAL. THE OBLIGATION OF BORROWER TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL SURVIVE ANY REPAYMENT OR DISCHARGE OF THE INDEBTEDNESS, ANY FORECLOSURE PROCEEDING, ANY FORECLOSURE SALE, ANY DELIVERY OF ANY DEED IN LIEU OF FORECLOSURE, AND ANY RELEASE OF RECORD OF THE LIEN OF THIS INSTRUMENT.

(r) Notwithstanding anything herein to the contrary, (i) Borrower shall have no obligation hereunder to indemnify any Indemnatee for any liability under this Section 18 to the extent that the Prohibited Activity or Condition giving rise to such

liability resulted solely from the gross negligence or willful misconduct of such Indemnitee, and (ii) Borrower's liability under this Section 18 shall not extend to cover the violation of any Hazardous Materials Laws or Prohibited Activities or Conditions that first arise, commence or occur as a result of actions of Lender, its successors, assigns or designees, after the satisfaction, discharge, release, assignment, termination or cancellation of this Instrument following the payment in full of the Note and all other sums payable under the Loan Documents or after the actual dispossession from the entire Mortgaged Property of Borrower and all Affiliates of Borrower following foreclosure of this Instrument or acquisition of the Mortgaged Property by a deed in lieu of foreclosure.

19. PROPERTY AND LIABILITY INSURANCE.

(a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, business income coverage and extra expense insurance, coverage against acts of terrorism, mold and earthquake coverage. Borrower acknowledges and agrees that Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any portion of the Improvements is at any time located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area now or hereafter having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood in an amount equal to the maximum amount available under the National Flood Insurance Program or any successor thereto.

(b) All premiums on insurance policies required under Section 19(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 19(a). Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender.

(c) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts and for such periods as Lender may from time to time require consistent with Lender's then current practices and standards, and shall be issued by insurance companies satisfactory to Lender.

(d) All insurance policies and renewals of insurance policies required by this Section 19 shall also comply with any applicable Credit Enhancer Insurance Standards.

(e) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance (provided that workers' compensation insurance shall only be required if and so long as Borrower has any employees) and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require, consistent with Lender's then current practices and standards and any applicable Credit Enhancer Insurance Standards.

(f) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

(g) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's reasonable expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Lender may, at Lender's option, (i) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "**Restoration**"), or (ii) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall apply the proceeds in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily properties.

(h) Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (iii) Lender determines, in its discretion, that the net operating income generated by the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (iv) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the Maturity Date set forth in the Note or (B) one year after the date of the loss or casualty; and (v) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Instrument.

(i) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and

to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(j) Unless Lender otherwise agrees in writing, any application of any insurance proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments, except as provided in the Note.

(k) Borrower agrees to execute such further evidence of assignment of any insurance proceeds as Lender may require.

(l) Borrower further agrees that to the extent that Borrower obtains any form of property damage insurance for the Mortgaged Property or any portion thereof that insures perils not required to be insured against by Lender, such policy of property damage insurance shall include a standard mortgagee clause and shall name Lender as loss payee and, within ten (10) days following Borrower's purchase of such additional insurance, Borrower shall cause to be delivered to Lender a duplicate original policy of insurance with respect to such policy. Any insurance proceeds payable to Borrower under such policy shall be additional security for the Indebtedness and Lender shall have the same rights to such policy and proceeds as it has with respect to insurance policies required by Lender pursuant to this Section 19 (except that Lender shall not require that the premium for such additional insurance be included among the Imposition Deposits).

20. CONDEMNATION.

(a) Borrower shall promptly notify Lender in writing of any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "Condemnation"), and shall deliver to the Lender copies of any and all papers served in connection with such Condemnation. Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

(b) Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts (including, without limitation, fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, whether incurred in connection with any judicial or administrative

process or otherwise), at Lender's option, to the restoration or repair of the Mortgaged Property, in the same manner described in Section 19(g) hereof with respect to insurance proceeds, or to the payment of the Indebtedness in accordance with the provisions of the Note as to application of payments to the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of payments due under the Note, Section 7 of this Instrument or any Collateral Agreement or any other Loan Document, or change the amount of such payments, except as otherwise provided in the Note. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

(c) Lender shall not exercise its option to apply condemnation awards to the payment of the Indebtedness if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (iii) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (iv) Lender determines, in its discretion, that any applicable Restoration will be completed before the earliest of (A) one year before the Maturity Date set forth in the Note, or (B) one year after the date of the loss or casualty; and (v) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Instrument.

21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.

(a) The occurrence of any of the following events shall constitute an Event of Default under this Instrument:

- (i) other than the lien of this Instrument and the Permitted Encumbrances, a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property;
- (ii) a Transfer of a Controlling Interest in Borrower;
- (iii) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Borrower;
- (iv) a Transfer of all or any part of a Guarantor's ownership interests in Borrower, or in any other entity which owns, directly or indirectly through one or more intermediate entities, an ownership interest in Borrower (other than a Transfer of an aggregate beneficial ownership interest in Borrower of 49% or less of such Guarantor's

original ownership interest in Borrower and which does not otherwise result in a Transfer of the Guarantor's Controlling Interest in such intermediate entities or in Borrower);

- (v) if Guarantor is an entity, (A) a Transfer of a Controlling Interest in Guarantor, or (B) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Guarantor;
- (vi) if Borrower or Guarantor is a trust, the termination or revocation of such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower or Guarantor must be replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged);
- (vii) if Guarantor is a natural person, the death of such individual; unless the Lender is notified and such individual is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged);
- (viii) the merger, dissolution, liquidation, or consolidation of (i) Borrower, (ii) any Guarantor that is a legal entity, or (iii) any legal entity holding, directly or indirectly, a Controlling Interest in Borrower or in any Guarantor that is an entity;
- (ix) a conversion of Borrower from one type of legal entity into another type of legal entity (including the conversion of a general partnership into a limited partnership and the conversion of a limited partnership into a limited liability company), whether or not there is a Transfer; if such conversion results in a change in any assets, liabilities, legal rights or obligations of Borrower (or of any Guarantor, or any general partner of Borrower, as applicable), by operation of law or otherwise;
- (x) a Transfer of the economic benefits or right to cash flows attributable to the ownership interests in Borrower and/or, if Guarantor is an entity, Guarantor, separate from the Transfer of the underlying ownership interests, unless the Transfer of the underlying ownership interests would otherwise not be prohibited by this Instrument; and

- (xi) the filing, recording, or consent to filing or recording of any plat or map subdividing, replatting or otherwise affecting the Mortgaged Property or any other replat or subdivision of the Mortgaged Property, whether or not any such action affects the priority of the lien of this Instrument.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21.

(b) The occurrence of any of the following events shall not constitute an Event of Default under this Instrument, notwithstanding any provision of Section 21(a) to the contrary (each a **"Permitted Transfer"**):

- (i) a Transfer to which Lender has consented;
- (ii) except as provided in Section 21(a)(vi) and (vii), a Transfer that occurs by devise, descent, pursuant to the provisions of a trust, or by operation of law upon the death of a natural person;
- (iii) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;
- (iv) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by or permitted pursuant to the Loan Documents or consented to by Lender;
- (v) the grant of an easement, servitude, or restrictive covenant if, before the grant, Lender determines that the easement, servitude, or restrictive covenant will not materially affect the operation or value of the Mortgaged Property or Lender's interest in the Mortgaged Property, and Borrower pays to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request; provided, however, utility easements of a type usually permitted or required to operate a multifamily project in the Property Jurisdiction (such as, by way of example, gas, sewer and electricity supplier easements and easements to provide cable service) shall be deemed to be Permitted Transfers without the need for Lender's prior review or determination so long as (A) such easement does not obligate Borrower to incur any additional costs, (B) such easement does not grant the grantee of the easement the option to acquire any other estate in the Mortgaged Property, and (C) Lender is not obligated to subordinate the lien of this Instrument to the proposed easement;

- (vi) the creation of a mechanic's, materialman's, or judgment lien against the Mortgaged Property which is released of record or otherwise remedied to Lender's satisfaction within 45 days after Borrower has actual or constructive notice of the existence of such lien; and
- (vii) the conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Instrument.

(c) Lender shall consent to a Transfer that would otherwise violate this Section 21 if, prior to the Transfer, Borrower has satisfied each of the following requirements:

- (i) the submission to Lender of all information required by Lender to make the determination required by this Section 21(c);
- (ii) the absence of any Event of Default;
- (iii) the transferee meets all of the eligibility, credit, management and other standards (including any standards with respect to previous relationships between Lender and the transferee and the organization of the transferee) customarily applied by Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;
- (iv) the Mortgaged Property, at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;
- (v) if the transferor or any other person has obligations under any Loan Document, the execution by the transferee or one or more individuals or entities acceptable to Lender of an assumption agreement that is acceptable to Lender and that, among other things, requires the transferee to perform all obligations of transferor or such person set forth in the Loan Documents, and may require that the transferee comply with any provisions of this Instrument or any other Loan Document which previously may have been waived by Lender;
- (vi) if a guaranty has been executed and delivered by the transferor in connection with the Note, this Instrument or any of the other Loan

Documents, Borrower causes one or more individuals or entities acceptable to Lender to execute and deliver to Lender a substitute guaranty in a form acceptable to Lender;

(vii) Lender's receipt of all of the following:

(A) a non-refundable review fee in the amount of \$3,000, and a transfer fee equal to one percent (1%) of the outstanding Indebtedness immediately prior to the Transfer; and

(B) Borrower's reimbursement of all of Lender's out-of-pocket costs (including, reasonable attorneys' fees) incurred in reviewing the Transfer request, to the extent such expenses exceed \$3,000; and

(viii) Borrower has agreed to Lender's conditions to approve such Transfer, which may include, but are not limited to (A) providing additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property, and (B) amending the Loan Documents to (1) delete any specially negotiated terms or provisions previously granted for the exclusive benefit of transferor and (2) restore to original provisions of the standard Lender forms of multifamily loan documents, to the extent such provisions were previously modified.

(d) For purposes of this Section, the following terms shall have the meanings set forth below:

(i) A Transfer of a "**Controlling Interest**" shall mean:

(A) with respect to any entity, the following:

(1) if such entity is a general partnership or a joint venture, a Transfer of any general partnership interest or joint venture interest which would cause the Initial Owners to own less than a Controlling Percentage of all general partnership or joint venture interests in such entity;

(2) if such entity is a limited partnership, (A) a Transfer of any general partnership interest, or (B) a Transfer of any partnership interests which would cause the Initial Owners to own less than a Controlling Percentage of all limited partnership interests in such entity;

(3) if such entity is a limited liability company or a limited liability partnership, (A) a Transfer of any membership or other ownership interest which would cause the Initial Owners to

own less than a Controlling Percentage of all membership or other ownership interests in such entity, (B) a Transfer of any membership, or other interest of a manager, in such entity that results in a change of manager, or (C) a change of the non-member manager;

(4) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a Controlling Percentage of voting stock in such corporation;

(5) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a sufficient number of shares of voting stock having the power to elect the majority of directors of such corporation; and

(6) if such entity is a trust (other than a Publicly-Held Trust), the removal, appointment or substitution of a trustee of such trust other than (A) in the case of a land trust, or (B) if the trustee of such trust after such removal, appointment, or substitution is a trustee identified in the trust agreement approved by Lender; and/or

(B) any agreement (including provisions contained in the organizational and/or governing documents of Borrower or Guarantor) or Transfer not specified in clause (A), the effect of which, either immediately or after the passage of time or occurrence of a specified event or condition, including the failure of a specified event or condition to occur or be satisfied, would (i) cause a change in or replacement of the Person that controls the management and operations of the Borrower or Guarantor or (ii) limit or otherwise modify the extent of such Person's control over the management and operations of Borrower or Guarantor.

(ii) **"Controlling Percentage"** shall mean (i) greater than 50% of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of 50% or less if the owner(s) of that interest actually direct(s) the business and affairs of the entity without requirement of consent of any other party.

(iii) **"Publicly-Held Corporation"** shall mean a corporation the outstanding voting stock of which is registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, as amended.

- (iv) **"Publicly-Held Trust"** shall mean a real estate investment trust the outstanding voting shares or beneficial interests of which are registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

(e) Lender shall be provided with written notice of all Transfers under this Section 21, whether or not such Transfers are permitted under Section 21(b) or approved by Lender under Section 21(c), no later than 10 days prior to the date of the Transfer.

22. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

(a) (i) any failure by Borrower to pay or deposit any payment of principal, interest, principal reserve fund deposit, any payment with a specified due date, or any other scheduled payment or deposit required by the Note, this Instrument or any other Loan Document when such payment or deposit is due or (ii) any failure by Borrower to pay or deposit any unscheduled payment or deposit, or other payment or deposit without a specified due date, required by the Note, this Instrument or any other Loan Document, within five (5) days after written notice from Lender;

(b) any failure by Borrower to maintain the insurance coverage required by Section 19;

(c) any failure by Borrower to comply with the provisions of Section 32;

(d) fraud or material misrepresentation or material omission by Borrower or Guarantor, any of their respective officers, directors, trustees, general partners, managing members, managers, agents or representatives in connection with (i) the application for the Loan, (ii) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (iii) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;

(e) any of Borrower's representations and warranties in this Instrument is false or misleading in any material respect;

(f) any Event of Default under Section 21;

(g) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property;

(h) any failure by Borrower to perform or comply with any of its obligations under this Instrument (other than those specified in this Section 22), as and when required, which continues for a period of thirty (30) days after written notice of such failure by Lender to Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall

have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period, not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument or any other security given under any other Loan Document;

(i) any failure by Borrower or any Guarantor to perform any of its obligations as and when required under any Loan Document other than this Instrument which continues beyond the applicable notice and cure period, if any, specified in that Loan Document;

(j) any exercise by the holder of any debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable;

(k) the occurrence of a Bankruptcy Event;

(l) any Event of Default (as defined in any of the Loan Documents), which continues beyond the expiration of any applicable cure period;

(m) any amendment, modification, waiver or termination of any of the provisions of Borrower's Organizational Documents without the prior written consent of Lender, other than (i) modifications necessary to reflect the occurrence of a Permitted Transfer or (ii) modifications that do not: (A) impose any additional or greater obligations on Borrower or any of the partners, managers or members of Borrower, (B) reduce or relieve Borrower or any of the partners, managers or members of Borrower of any of their obligations, (C) modify the timing, amounts, number, conditions or other terms of the installments or other payment obligations of the partners or members of Borrower or (D) impair the collateral for the Loan; provided, however, that Borrower shall promptly provide to Lender a copy of any modifications to Borrower's Organizational Documents that do not require Lender's consent;

(n) (i) any breach of any Material Property Agreement by Borrower or its officers, directors, employees, agents or tenants that continues beyond any applicable notice and cure period; (ii) any failure by Borrower or its officers, directors, employees or agents or any other party to deliver concurrently (in case of notices given) or promptly (in case of notices received) copies of any and all notices received or given thereby to Lender with respect to any Material Property Agreement; or (iii) any breach of the representations, warranties, or covenants set forth in Section 4.1.60 of the Loan Agreement;

(o) if Borrower or any Guarantor is a trust, the termination or revocation of any such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower or Guarantor must be

replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged); or

(p) if any Guarantor is a natural person, the death of such individual; unless the Lender is notified and such individual is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged).

23. **REMEDIES CUMULATIVE.** Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

24. **FORBEARANCE.**

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Instrument, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Instrument, the Note, or any other Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Note, this Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

25. **WAIVER OF STATUTE OF LIMITATIONS.** BORROWER HEREBY WAIVES THE RIGHT TO ASSERT ANY STATUTE OF LIMITATIONS AS A BAR TO THE ENFORCEMENT OF THE LIEN OF THIS INSTRUMENT OR TO ANY ACTION BROUGHT TO ENFORCE ANY LOAN DOCUMENT.

26. **WAIVER OF MARSHALLING.** Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

27. **FURTHER ASSURANCES.** Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents. In furtherance thereof, on the request of Lender, Borrower shall re-execute or ratify any of the Loan Documents or execute any other documents or take such other actions as may be necessary to effect the assignment, pledge or other transfer of the Loan to any party that may purchase, insure, credit enhance or otherwise finance all or any part of the Loan, including, without limitation, any Credit Enhancer (including Freddie Mac or Fannie Mae), the U.S. Department of Housing and Urban Development, or any insurance company, conduit lender or any other lender or investor. Notwithstanding the foregoing sentence, in no event shall Borrower be required to execute and deliver any document or perform any act otherwise required pursuant to the foregoing sentence to the extent such document or act imposes a material additional obligation or liability on Borrower or materially adversely affects the rights of Borrower under any Loan Document.

28. **ESTOPPEL CERTIFICATE.** Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts requested by Lender.

29. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

(a) This Instrument, and any Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction.

(b) Borrower agrees that any controversy arising under or in relation to the Note, this Instrument, or any other Loan Document may be litigated in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have jurisdiction over all controversies that shall arise under or in relation to the Note, any security for the Indebtedness, or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to enforce any judgment against Borrower or any of Borrower assets in any court of any other jurisdiction where Borrower's assets are located.

30. NOTICE.

(a) All notices, demands and other communications ("notice") under or concerning this Instrument shall be in writing and addressed as set forth below. Each notice shall be deemed given on the earliest to occur of (i) the date when the notice is received by the addressee; (ii) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (iii) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

If to Borrower:

The Porter Limited Dividend Housing Association,
Limited Partnership
c/o Redwood Housing Services, LLC
3101 Bee Caves Road, Suite 220
Austin, Texas 78746
Attention: Ryan Fuson

With a copy to:

Rodriguez Wright LLP
739 Calmar Avenue
Oakland, California 94610
Attention: Michael Kass, Esq.

If to Lender: Citibank, N.A.
 388 Greenwich Street, Trading 6th Floor
 New York, New York 10013
 Attention: Transaction and Asset Management Group
 Re: The Porter Deal ID No. 60000873
 Facsimile: (212) 723-8209

With a copy to: Citibank, N.A.
 325 East Hillcrest Drive, Suite 160
 Thousand Oaks, California 91360
 Attention: Operations Manager/Asset Manager
 Re: The Porter Deal ID No. 60000873
 Facsimile: (805) 557-0924

With a copy to: Citibank N.A.
 c/o Berkadia Commercial Servicing Department
 323 Norristown Road, Suite 300
 Ambler, Pennsylvania 19002
 Attention: Client Relations Manager
 Re: The Porter Deal ID No. 60000873
 Facsimile: (215) 328-0305

And a copy of any notices of default sent to: Citibank, N.A.
 388 Greenwich Street, 17th Floor
 New York, New York 10013
 Attention: General Counsel's Office
 Re: The Porter Deal ID No. 60000873
 Facsimile: (646) 291-5754

(b) Any party to this Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 30. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 30, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 30 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

(c) Any notice under the Note and any other Loan Document that does not specify how notices are to be given shall be given in accordance with this Section 30.

31. **CHANGE IN SERVICER.** If there is a change of the Servicer, Borrower will be given notice of the change.

32. **SINGLE ASSET BORROWER.** Until the Indebtedness is paid in full, Borrower (a) shall not acquire any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property;

(b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

33. **SUCCESSORS AND ASSIGNS BOUND.** This Instrument shall bind, and the rights granted by this Instrument shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower.

34. **JOINT AND SEVERAL LIABILITY.** If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

35. **RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.**

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Instrument and no other person (other than a holder of the Note and Servicer) shall be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement (a “**Servicing Arrangement**”) between Lender and any Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

36. **SEVERABILITY; AMENDMENTS.** The invalidity or unenforceability of any provision of this Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought; provided, however, that in the event of a Transfer, other than a Permitted Transfer that does not require the consent of Lender, any or some or all of the Modifications to Instrument set forth in Exhibit B (if any) may be modified or rendered void by Lender at Lender’s option by notice to Borrower or such transferee.

37. **CONSTRUCTION.** The captions and headings of the sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an “Exhibit” or a “Section” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Instrument includes the plural and use of the plural includes the singular. As used in this Instrument, the term “including” means “including, but not limited to.”

38. SERVICER.

(a) Borrower further acknowledges that Lender may from time to time and in accordance with the terms of the Loan Agreement, appoint a Servicer or a replacement servicer to collect payments, escrows and deposits, to give and receive notices under the Note, this Instrument, or the other Loan Documents, and to otherwise service the Loan. Borrower hereby acknowledges and agrees that, unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by Servicer with the same force and effect, including, without limitation, the collection of payments, the giving of notice, the holding of escrows, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Borrower further agrees that, unless Lender instructs Borrower to the contrary in writing, (i) any notices, books or records, or other documents or information to be delivered under this Instrument, the Note, or any other Loan Document shall also be simultaneously delivered to the Servicer at the address provided for notices to Servicer pursuant to Section 30 hereof, and (ii) any payments to be made under the Note or for escrows under Section 7 of this Instrument or under any of the other Loan Documents shall be made to Servicer. In the event Borrower receives conflicting notices regarding the identity of the Servicer or any other subject, any such notice from Lender shall govern.

(b) Borrower further acknowledges and agrees that, for the purpose of determining whether a security interest is created or perfected under the Uniform Commercial Code of the Property Jurisdiction, any escrows or other funds held by Servicer pursuant to the Loan Documents shall be deemed to be held by Lender.

39. DISCLOSURE OF INFORMATION. Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Without limiting the generality of the foregoing, without notice to or the consent of Borrower, Lender may disclose to any title insurance company which insures any interest of Lender under this Instrument (whether as primary insurer, coinsurer or reinsurer) any information, data or material in its possession relating to Borrower, the Loan, the Improvements or the Mortgaged Property. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

40. NO CHANGE IN FACTS OR CIRCUMSTANCES. Borrower warrants that all information in Borrower's application for the Loan and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with Borrower's application for the Loan are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

41. **SUBROGATION.** If, and to the extent that, the proceeds of the Loan are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a "Prior Lien"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

42. **FINANCING STATEMENT.** As provided in Section 2, this Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture and for the purposes of such financing statement: (a) the Debtor shall be Borrower and the Secured Party shall be Lender; (b) the addresses of Borrower as Debtor and of Lender as Secured Party are as specified above in the first paragraph of this Instrument; (c) the name of the record owner is Borrower; (d) the types or items of collateral consist of any part of the Mortgaged Property which is or may become a Fixture; and (e) the organizational identification number of Borrower (if any) as Debtor is set forth on Exhibit C.

43. **STATE SPECIFIC PROVISIONS (MICHIGAN).**

(a) **ACCELERATION; REMEDIES.** At any time during the existence of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided in this Instrument or in any other Loan Document. Borrower hereby grants power to Lender, upon the occurrence of an Event of Default, which continues beyond the expiration of any applicable cure period, to grant, bargain, sell, release and convey the Mortgaged Property at public auction or venue, and upon such sale to execute and deliver to the purchaser(s) instruments of conveyance pursuant to the terms of this Instrument and applicable laws. Borrower acknowledges that the preceding sentence confers a power of sale upon Lender and that upon the occurrence of an Event of Default this Instrument may be foreclosed by advertisement as described below and in the applicable Michigan statutes. Borrower understands that upon the occurrence of an Event of Default, Lender is authorized and empowered to sell the Mortgaged Property, or cause the same to be sold, and to convey the same to the purchaser in any lawful manner, including that provided by Chapter 32 of the Revised Judicature Act of Michigan, entitled "Foreclosure of Mortgages by Advertisement," which permits Lender to sell the Mortgaged Property without affording Borrower a hearing or giving Borrower actual personal notice. The only notice required under such Chapter 32 is to publish notice in a local newspaper and to post a copy of the notice at the Improvements

If Lender invokes the power of sale, Lender will mail a copy of a notice of sale to Borrower in the manner provided in Section 11.03 of the Loan Agreement. Lender will give notice of sale and will sell the Mortgaged Property according to the laws of Michigan. Lender may, at Lender's option, sell the Mortgaged Property in one or more parcels and in such order as Lender may determine. Lender or Lender's designee may purchase the Mortgaged Property at any sale. The proceeds of sale will be applied in the following order: (i) to all costs and expenses of the sale, including Attorneys' Fees and

Costs of title evidence; (ii) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (iii) the excess, if any, to the person or persons legally entitled to it.

(b) **LENDER'S STATUTORY RIGHTS WITH RESPECT TO LEASES AND RENTS.** In addition to Sections 3 and 4 of this Instrument, Lender will be entitled to all of the rights and benefits conferred by Act 210 of the Michigan Public Acts of 1953 as amended (MCL 554.231, *et seq.*). To the extent that this Instrument is inconsistent with, or confers rights upon Lender in excess of those conferred by MCLA § 554.231, this Instrument will be read and interpreted consistently with, and to confer upon Lender only those rights conferred by, MCLA § 554.231.

(c) **CONSTRUCTION LIENS.** All references in this Instrument to "mechanic's liens" and "materialmen's liens" will be deemed to include "construction liens" as defined in MCL 570.1103(3).

(d) **RELEASE.** Upon payment of the Indebtedness, Lender will prepare and file a discharge of this Instrument.

(e) **POWER OF SALE. WARNING: THIS INSTRUMENT CONTAINS A POWER OF SALE AND, UPON THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER, MAY BE FORECLOSED BY ADVERTISEMENT (UNDER AND PURSUANT TO THE PROVISIONS OF MCLA SECTION 600.3201 ET SEQ.) OR BY JUDICIAL ACTION (UNDER AND PURSUANT TO THE PROVISIONS OF MCLA SECTION 600.3101). IN A FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICE REQUIRED IS PUBLICATION OF A FORECLOSURE NOTICE IN A LOCAL NEWSPAPER AND POSTING OF A COPY OF THE NOTICE UPON THE MORTGAGED PROPERTY. IF THIS INSTRUMENT IS FORECLOSED BY ADVERTISEMENT UNDER THE PROVISIONS OF MICHIGAN COMPILED LAWS SECTION 600.3201 (OR ANY SUCCESSOR PROVISION OF THE LAWS OF THE STATE OF MICHIGAN), BORROWER HEREBY VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OF MICHIGAN AND THE CONSTITUTION AND LAWS OF THE UNITED STATES OF AMERICA TO ANY NOTICE OF HEARING IN CONNECTION WITH SAID FORECLOSURE BY ADVERTISEMENT, EXCEPT AS SET FORTH IN SAID MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.**

44. **WAIVER OF TRIAL BY JURY.**

(a) **BORROWER AND LENDER EACH COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY.**

(b) **BORROWER AND LENDER EACH WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

45. **ATTACHED EXHIBITS.** The following Exhibits are attached to this Instrument and are incorporated by reference herein as if more fully set forth in the text hereof:

- ☒ Exhibit A Description of the Land.
- ☒ Exhibit B Modifications to Instrument.
- ☒ Exhibit C Financing Statement Information.

The terms of this Instrument are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Instrument, the terms of said Exhibits shall be controlling in all respects.

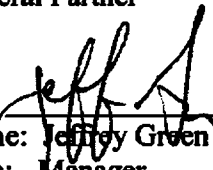
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IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Instrument or caused this Instrument to be duly executed and delivered by its authorized representative as of the date first set forth above.

BORROWER:

**THE PORTER LIMITED DIVIDEND
HOUSING ASSOCIATION, LIMITED
PARTNERSHIP, a Michigan limited partnership**

By: The Porter Management, LLC,
a Michigan limited liability company
Its: General Partner

By: 
Name: Jeffrey Green
Title: Manager

ACKNOWLEDGMENT

STATE OF TEXAS)

COUNTY OF TRAVIS)

On May 17, 2021 before me, Meghan Marie Bean, Notary Public, personally appeared Jeffrey Green, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary Public (Seal)



EXHIBIT A

DESCRIPTION OF THE LAND

Land situated in the City of Lansing, County of Ingham and State of Michigan.

That part of Lots 7, 8, 9, 10, 11 and 12, Block 148, ORIGINAL PLAT OF THE CITY OF LANSING, Ingham County, Michigan, as recorded in Liber 2, Page 36 of Plats, Ingham County Records, described as: Beginning at the Northwest corner of Lot 12, Block 148; thence North 89 degrees 56 minutes 49 seconds East 122.52 feet on the North line of Block 148; thence South 00 degrees 04 minutes 36 seconds West 90.00 feet on a line 17.0 feet East of the East wall of the existing apartment building; thence South 47 degrees 31 minutes 21 seconds West 6.64 feet; thence South 00 degrees 04 minutes 36 seconds West 72.0 feet; thence South 89 degrees 49 minutes 35 seconds East 4.09 feet; thence South 00 degrees 04 minutes 37 seconds West 163.16 feet to the South line of Lot 8; thence North 89 degrees 59 minutes 02 seconds West 22.00 feet; thence South 00 degrees 16 minutes 09 seconds West 65.88 feet to the South line of Lot 7; thence South 89 degrees 56 minutes 24 seconds West 36.00 feet; thence North 00 degrees 09 minutes 48 seconds East 66.27 feet to the South line of Lot 8; thence South 89 degrees 42 minutes 06 seconds West 63.15 feet to the West line of Block 148; thence North 00 degrees 00 minutes 00 seconds East 329.51 feet on the West line of Block 148 to the point of beginning.

For APN/Parcel ID: 33-01-01-16-380-073

Commonly known as: 505 Townsend Street, Lansing, Michigan 48933

EXHIBIT B

MODIFICATIONS TO INSTRUMENT

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. The following new Sections are added to the Instrument after the last numbered Section:

“46. PILOT AGREEMENT.

(a) Borrower represents, warrants and covenants that it will ensure the PILOT Agreement will remain in effect for the term hereof and that the Mortgaged Property will receive the benefits of the PILOT Agreement. Borrower hereby covenant to file or cause to be filed on a timely basis all documentation necessary to maintain the PILOT Agreement in effect and comply or cause compliance fully with all of the requirements thereof. Borrower shall promptly provide Lender with a copy of any notice Borrower may receive alleging that Borrower is in breach of the requirements of the PILOT Agreement or that the Mortgaged Property is not being maintained as required by the PILOT Agreement. In any application for a Transfer of the Mortgaged Property, any interest in the Mortgaged Property or any interest in Borrower, Borrower shall notify Lender if the completion of such Transfer without the consent of the agency administering the PILOT Agreement would result in a breach or termination of the PILOT Agreement.

(b) Borrower shall not voluntarily take or cause to be taken any action that would threaten the PILOT Agreement or cause the PILOT Agreement to terminate before its scheduled expiration date without the prior written consent of Lender. Borrower represents and warrants that: (i) Borrower has not received any notice indicating that the PILOT Agreement to will be terminated and (ii) Borrower has adhered to requirements and restrictions imposed by the PILOT Agreement.

(c) Borrower acknowledges that any breach of any of the representations and warranties in this Section will constitute an Event of Default. Each of the following shall constitute an Event of Default: (i) any breach of any of the representations and warranties in this Section, or (ii) any transfer of the Mortgaged Property, any interest in the Mortgaged Property, or any interest in Borrower that could cause the PILOT Agreement to terminate. The Borrower shall notify Lender if it receives any notice indicating that the PILOT Agreement will be terminated before its scheduled expiration date. The Borrower shall notify Lender if a Transfer of the Mortgaged Property or any interest in Borrower would result in the termination of the PILOT Agreement.”

- 47. VARIABLE RATE NOTE.** The Note is subject to interest rate adjustment from time to time in accordance with its terms, which terms are incorporated herein by this reference.

48. SECTION 8 HAP CONTRACT.

(a) As of the Closing Date, Borrower is a party to that certain Housing Assistance Payments Renewal Contract for Mark-Up-To-Market Project between Borrower and the United States Department of Housing and Urban Development (“HUD”) and Michigan State Housing Development Authority, as contract administrator (“**Contract Administrator**”), identified Section 8 HAP Contract Number MI33A008001, in favor of Porter Partners Limited Dividend Housing Association, LLC, a Michigan limited liability company, as assigned to Borrower as of the Closing Date (as assigned, amended, and renewed to date, the “**HAP Contract**”), covering all units within the Mortgaged Property (as the same may be extended, renewed, amended, modified, supplemented or restated from time to time, the “**HAP Contract**”), which HAP Contract has been collaterally assigned by Borrower to Lender pursuant to that certain Assignment of Housing Assistance Payments Agreement (the “**Assignment of HAP Contract**”), dated as of the date hereof.

(b) Borrower represents that, as of the Closing Date, Borrower has at all times been and presently is in full compliance with the HAP Contract and that Borrower has not in the past defaulted and is presently not in default under the HAP Contract.

(c) Borrower acknowledges and agrees that any default, event of default, or breach under the HAP Contract or the Assignment of HAP Contract as declared by HUD or the Contract Administrator when a violation of the HAP Contract is not corrected to its satisfaction within the time allowed by the HAP Contract or such further time as may be allowed by HUD or the Contract Administrator after written notice shall be an Event of Default under this Instrument and that any costs, damages or other amounts, including reasonable attorneys’ fees incurred by Lender as a result of such an Event of Default by Borrower, including amounts paid to cure any default, event of default or breach under the HAP Contract or under the Assignment of HAP Contract, shall be an obligation of Borrower and become a part of the Indebtedness secured by this Instrument.

49. FAIR HOUSING; EQUAL OPPORTUNITY. Borrower shall: (a) comply with the provisions of Title VIII of the Civil Rights Act of 1968, as amended, and any regulations or administrative procedures issued pursuant thereto. These laws and regulations prohibit discrimination in the rental or financing of housing on the basis of race, color, national origin, religion (creed), or sex. Borrower agrees to administer the Property and related activities in a manner to affirmatively further fair housing. Borrower also agrees to comply with similar state and local fair housing laws and ordinances; and (b) comply with the provisions of Executive Order 11063 on Equal Opportunity in Housing and all regulations issued pursuant thereto. This order and related regulations prohibit discrimination on the basis of race, color, religion (creed), national origin, or sex in housing and related facilities provided through Federal financial assistance.”

All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Instrument that precedes this Exhibit.

EXHIBIT C

FINANCING STATEMENT INFORMATION

1. Name and Address of Debtor: The Porter Limited Dividend Housing Association, Limited Partnership
3101 Bee Caves Road, Suite 220
Austin, Texas 78746

2. Debtor's State of Organization and Organizational I.D.#:

State of Formation: Michigan

Type of Entity: limited partnership

Organizational I.D.#: 802600238

3. Name and Address of Secured Party: Citibank, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013

4. The Collateral is: Fixtures (as that term is described in the Uniform Commercial Code of Michigan) attached to the Land described in Exhibit A attached to this Instrument.

MULTIFAMILY NOTE

\$7,820,000

May 27, 2021

FOR VALUE RECEIVED, the undersigned (“**Borrower**”) promises to pay to the order of **CITIBANK, N.A.**, a national banking association, the maximum principal sum of SEVEN MILLION EIGHT HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$7,820,000), with interest on the unpaid principal balance from time to time outstanding at the annual rate as set forth on Schedule A. The terms of this Note incorporate the Modifications, if any, set forth on Schedule C to this Note.

1. Defined Terms. As used in this Note, the following terms shall have the following definitions:

(a) “**Beneficiary Parties**” shall have the meaning set forth in the Security Instrument.

(b) “**Business Day**” means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(c) “**Closing Date**” shall mean the date of this Note.

(d) “**Default Rate**” shall have the meaning set forth in Section 8 of this Note.

(e) “**Exit Fee**” shall have the meaning set forth in Schedule B to this Note.

(f) “**Extension Fee**” shall mean a fee equal to one-quarter of one percent (0.25%) of the original principal balance of this Note payable in connection with an extension of the Maturity Date in accordance with Section 11 of this Note.

(g) “**First Payment Date**” means July 1, 2021.

(h) “**Indebtedness**” means the principal of, interest on, and any other amounts due at any time under, this Note, the Security Instrument or any other Loan Document, including prepayment premiums, exit fees, late charges, default interest, and advances to protect the security of the Security Instrument as described in Section 12 of the Security Instrument.

(i) “**Interest Rate**” shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(j) “**Lender**” means Citibank, N.A., a national banking association, and any subsequent holder of this Note.

(k) “**Loan**” means the loan evidenced by this Note.

(l) **“Loan Agreement”** means that certain Loan Agreement dated as of May 1, 2021, by and between Borrower and Lender.

(m) **“Loan Month”** means the period commencing on a Loan Payment Date and ending on the day preceding the next succeeding Loan Payment Date (without adjustment in either case for Business Day conventions).

(n) **“Loan Payment Date”** means the first Business Day of each month, commencing on the First Payment Date.

(o) **“Maturity Date”** means the earlier to occur of (i) June 1, 2023, subject to the Borrower’s right to extend the Maturity Date to December 1, 2023, pursuant to Section 11 of this Note or (ii) any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise.

(p) **“Maximum Rate”** means the lesser of (i) twelve percent (12%) per annum or (ii) the maximum interest rate that may be paid on the Loan under the laws of the Property Jurisdiction.

(q) **“Note”** means this Multifamily Note.

(r) **“Note Interest”** shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(s) **“Property Jurisdiction”** shall have the meaning set forth in the Security Instrument.

(t) **“Security Instrument”** means the Multifamily Mortgage, dated as of May 1, 2021, made by Borrower for the benefit of Lender.

All other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Loan Agreement.

2. Method of Payment. All payments due under this Note shall be payable to Servicer, or, if there is no Servicer, to the Lender or its successor. Each such payment shall be made by wire transfer of immediately available funds in accordance with wire transfer instructions that the Lender or Servicer shall supply by Written Notice to the Borrower from time to time.

3. Payment of Principal and Interest. Principal and interest shall be paid as follows:

(a) Borrower shall pay all amounts due under this Note at the times and in the amounts set forth herein and in the Loan Agreement. Borrower shall make its payments under this Note in immediately available funds.

(b) Borrower shall pay monthly payments of interest only as set forth on Schedule A attached hereto in successive monthly installments commencing on the First Payment Date and continuing on each Loan Payment Date thereafter until and including

the Maturity Date. Such payments shall be made to the Lender or the Servicer by 2:00 p.m., New York City time, on each Loan Payment Date.

(c) Any accrued interest remaining past due may, at Lender's discretion, be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference below to "accrued interest" shall refer to accrued interest that has not become part of the unpaid principal balance.

(d) Borrower shall pay all unpaid principal of and interest on this Note on the Maturity Date, the Exit Fee payable under Section 10, if any, and any other amounts due under subsection 3(a) hereof.

(e) Any regularly scheduled monthly installment of interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

(f) Borrower shall make all payments of principal and interest under this Note without relief from valuation and appraisal laws.

(g) Borrower acknowledges that the calculation of all interest payments shall be made by the Lender and shall be final and conclusive, absent manifest error.

4. Application of Payments. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable under this Note in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. Security. The Indebtedness is secured by, among other things, the Security Instrument, and reference is made to the Security Instrument for other rights of Lender as to collateral for the Indebtedness.

6. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the Exit Fee payable under Section 10, if any, and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower (except if notice is required by applicable law, then after such notice). Lender may exercise this option to accelerate regardless of any prior forbearance.

7. Late Charge. If any amount payable under this Note or under the Security Instrument or any other Loan Document is not received by Lender when such amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event, such longer period shall be substituted), Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.0%) of such amount (unless applicable law requires a lesser amount be charged, in which event such lesser amount shall be substituted). Notwithstanding the foregoing, with regard to each regularly scheduled monthly

installment of principal or interest payable pursuant to this Note, such late charge shall not become due and payable to Lender so long as the Borrower makes such payment on or prior to the tenth (10th) calendar day following the date upon which such payment is due (or the Business Day immediately following such tenth (10th) calendar day if such tenth (10th) calendar day is not a Business Day). Any accrued but unpaid late charges shall be added to and become part of the unpaid principal balance of this Note, shall bear interest at the rate or rates specified in this Note, and shall be secured by the Security Instrument and the other applicable Loan Documents. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment, and such late charge shall be deemed liquidated damages and not additional interest or a penalty. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 8. Notwithstanding anything to the contrary in any other Loan Document, if a Servicer has been appointed by Lender, any late charges payable hereunder shall not be remitted to Lender and shall instead be paid directly to Servicer, who shall apply such late charges in accordance with the terms of the applicable servicing agreement. Any action regarding the collection of a Late Charge will be without prejudice to any other rights, and shall not act as a waiver of any other rights that the Servicer or the Lender may have as provided herein, in the other Loan Documents, or at law or in equity.

8. Default Rate. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate per annum (the “**Default Rate**”) equal to the lesser of the Maximum Rate or a rate equal to the Interest Rate plus four percent (4%), in each case compounded monthly (computed in accordance with Schedule A in the same manner in which Note Interest is computed). If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate until the unpaid principal balance and all accrued interest is paid in full. Borrower also acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, that, during the time that any monthly installment under this Note is delinquent, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender’s ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Note is delinquent or any other Event of Default has occurred and is continuing, Lender’s risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate as provided above represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of Borrower’s delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. Personal Liability of Borrower.

(a) Throughout the term of this Note, Borrower shall be personally liable under this Note, the Security Instrument and the other Loan Documents for (1) the repayment of the Indebtedness, including, without limitation, all amounts due under this Note, and (2) the performance of all other obligations of Borrower under this Note and the other Loan Documents.

(b) In addition to the Borrower's personal liability pursuant to the other provisions of this Note, Borrower shall be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender (the "**Losses**") as a result of (1) failure of Borrower to pay to Lender upon demand after an Event of Default all Rents to which Lender is entitled under Section 3(a) of the Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Security Instrument; (3) failure of Borrower to comply with Section 14(d) or (e) of the Security Instrument relating to the delivery of books and records, statements, schedules, and reports; (4) fraud or material misrepresentation by Borrower or Guarantor or any general partner, managing member, manager, officer, director, partner, member, agent or employee of Borrower or Guarantor in connection with the application for or creation of the Indebtedness or any request for any action or consent by or on behalf of Lender; (5) failure to apply Rents, first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of an Assignment of Management Agreement or any other Loan Document) and then to amounts ("**Debt Service Amounts**") payable under this Note, the Security Instrument or any other Loan Document (except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to Rents that are distributed on account of any calendar year if Borrower has paid all operating expenses and Debt Service Amounts for that calendar year); (6) failure of Borrower to comply with the provisions of Section 17(a) of the Security Instrument prohibiting the commission of waste or allowing the impairment or deterioration of the Mortgaged Property; or (7) failure of Borrower to obtain and maintain any local real estate tax abatement or exemption required under the Security Instrument, or the reduction, revocation, cancellation or other termination of such abatement or exemption, as a result of any act or omission by or on behalf of Borrower, Guarantor or any of their respective partners, members, managers, directors, officers, agents, employees or representatives.

(c) For purposes of determining Borrower's personal liability under this Section 9, all payments made by Borrower with respect to the Indebtedness and all amounts received by Lender from the enforcement of its rights under the Security Instrument shall be applied first to the portion of the Indebtedness for which Borrower has no personal liability.

(d) Borrower shall at all times be personally liable to Lender for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default: (1) Borrower's acquisition of any property or operation of any business not permitted by

Section 32 of the Security Instrument; or (2) a Transfer (including, but not limited to, a lien or encumbrance) that is an Event of Default under Section 21 of the Security Instrument, other than a Permitted Transfer or a Transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company; or (3) a Bankruptcy Event, as defined by the Security Instrument (but only if the Bankruptcy Event occurs with the consent or active participation of Borrower, its General Partner, Guarantor or any Borrower Affiliate).

(e) In addition to the Borrower's personal liability pursuant to the other provisions of this Note, Borrower shall at all times be personally liable to Lender for (1) the performance of all of Borrower's obligations under Section 18 of the Security Instrument (relating to environmental matters) and the Agreement of Environmental Indemnification; (2) the costs of any audit under Section 14(d) of the Security Instrument; and (3) any costs and expenses incurred by Lender in connection with the collection of all amounts for which Borrower is personally liable under this Section 9, including out of pocket expenses and reasonable fees of attorneys and expert witnesses and the costs of conducting any independent audit of Borrower's books and records to determine the amount for which Borrower has personal liability.

(f) To the extent that Borrower has personal liability under this Section 9, Lender may exercise its rights against Borrower personally without regard to whether Lender has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to Lender under this Note, the Security Instrument, any other Loan Document or applicable law. For purposes of this Section 9, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Security Instrument prior to the occurrence of an Event of Default or (2) Borrower was unable to apply as required or permitted by the Security Instrument because of a bankruptcy, receivership, or similar judicial proceeding. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Section 9, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

(g) Nothing herein or in the other Loan Documents shall be deemed to be a waiver of any right which the Lender or the Servicer may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Lender and the Servicer hereunder and under the other Loan Documents or to require that all collateral shall continue to secure the amounts due hereunder and under the other Loan Documents.

10. Prepayments.

(a) In connection with any prepayment (i.e., any receipt by Lender of principal, other than principal required to be paid in monthly installments pursuant to Section 3, prior to the Maturity Date) made under this Note, whether voluntary or involuntary, an Exit Fee shall be payable to the extent provided below.

(b) Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note if: (i) Borrower has given Lender prior Written Notice of its intention to make such prepayment at least thirty (30) days prior to the proposed prepayment date (or such shorter time as agreed to by Lender in its sole discretion) and (ii) Borrower pays (A) the entire unpaid amount of principal balance of this Note, (B) all accrued interest, (C) the Exit Fee calculated pursuant to Schedule B, and (D) all other sums due Lender at the time of such prepayment. If Lender, in Lender's sole and absolute discretion, agrees in writing to waive the foregoing provisions and allow any prepayment that is not permitted hereunder, an Exit Fee calculated pursuant to Schedule B shall be due and payable by Borrower on the amount of principal being prepaid. In connection with any prepayment permitted pursuant to this Section 10(b), the Borrower shall wire transfer the amount required hereunder in immediately available funds by no later than 12:00 p.m., New York City time, on the date of prepayment. For all purposes including the accrual of interest, any prepayment received by Lender on any day other than the last calendar day of a Loan Month shall be deemed to have been received on the last calendar day of such Loan Month.

(c) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (i) all accrued interest and all other sums due Lender and (ii) the Exit Fee calculated pursuant to Schedule B.

(d) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of the Exit Fee calculated pursuant to Schedule B.

(e) The Borrower shall prepay the outstanding principal balance of this Note at the direction of the Lender, in whole or in part, at a price equal to the amount of principal being prepaid plus accrued interest and any other amounts payable under this Note or the other Loan Documents, upon the occurrence of any event or condition described below:

(1) in whole or in part, if the Mortgaged Property shall have been damaged or destroyed to the extent that it is not practicable or feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Security Instrument following such event of damage or destruction; or

(2) in whole or in part, if title to, or the use of, all or a portion of the Mortgaged Property shall have been taken under the exercise of the power of eminent domain by any Governmental Authority which results in a prepayment of this Note under the conditions described in the Security Instrument; or

(3) in whole or in part, to the extent that insurance proceeds or proceeds of any condemnation award with respect to the Mortgaged Property are not applied to restoration of the Mortgaged Property in accordance with the provisions of the Security Instrument.

In connection with any such prepayment, the Borrower shall wire transfer immediately available funds by no later than 12:00 p.m., New York City time, on the date fixed by the Lender, which date shall be communicated by the Lender in writing to the Borrower. To the extent that the Borrower receives any insurance proceeds or condemnation awards that are to be applied to the prepayment of this Note, such amounts shall be applied to the prepayment of this Note. No Exit Fee shall be payable with respect to any prepayment required by this Section 10(e).

(f) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(g) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary, involuntary or resulting from a default by Borrower, will result in Lender incurring a loss, including reinvestment loss, additional expense and frustration or impairment of Lender's ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating the Exit Fee set forth on Schedule B represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(h) Borrower further acknowledges that the prohibition of voluntary prepayment and the Exit Fee provisions of this Note are a material part of the consideration for the Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to the Exit Fee provisions.

(i) Any Exit Fee payable hereunder shall be remitted to Servicer, or if a Servicer has not been appointed by Lender, to Lender.

11. Extension of Maturity Date. Borrower shall have the option to extend the Maturity Date to December 1, 2023 (the "**Extended Maturity Date**"), provided that (a) Borrower has provided to Lender not less than thirty (30) days, and not more than ninety (90) days, prior written notice of its election to extend, (b) at the time of the granting of the extension, there shall be no Event of Default or Potential Default under the Loan Documents but for the requirement that notice be given or time elapse or both, (c) Borrower pays to Lender the Extension Fee upon the exercise of such option.

12. Costs and Expenses. To the fullest extent allowed by applicable law, Borrower shall pay all expenses and costs, including, without limitation, out-of-pocket expenses and reasonable fees of attorneys (including, without limitation, in-house attorneys) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any

bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. For purposes of Section 9(e) and this Section 12, attorneys' out of pocket expenses shall include, but are not limited to, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses.

13. Forbearance. Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

14. Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.

15. Loan Charges. Neither this Note nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

16. Obligations of the Borrower Absolute and Unconditional. Subject to Section 9, the obligations of the Borrower to make all payments required under this Note and the other Loan Documents on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder and under the other Loan Documents shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Note and the other Loan Documents under any and all circumstances, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Mortgaged

Property or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Mortgaged Property or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Mortgaged Property, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Lender's legal organization or status, or any default of the Lender hereunder or under any other Loan Document, and regardless of the invalidity of any action of the Lender or the invalidity of any portion of this Note or the other Loan Documents. Provided further, the obligations of Borrower under this Note and the other Loan Documents shall not be affected by:

- (a) any lack of validity or enforceability of any Loan Document or any of the Related Documents;
- (b) any amendment of, or any waiver or consent with respect to, any of the Loan Documents or Related Documents;
- (c) the existence of any claim, set-off, defense or other rights which Borrower, General Partner or Guarantor may have at any time against Lender (other than the defense of payment in accordance with the terms of this Note or the other Loan Documents) or any other Person, whether in connection with this Note or any other Loan Document, the Related Documents or any transaction contemplated thereby or any unrelated transaction;
- (d) any breach of contract or other dispute between Borrower, General Partner or Guarantor, and Lender; or
- (e) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in any other Loan Document or in any Related Document.

The Borrower hereby waives the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Note or the other Loan Documents or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

17. Commercial Purpose. Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household or agricultural purposes.

18. Counting of Days. Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

19. Notices. All notices, demands and other communications required or permitted to be given pursuant to this Note shall be in writing and addressed as set forth below. Each notice shall be deemed given on the earliest to occur of (a) the date when the notice is received by the addressee; (b) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (c) the

third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

If to Borrower: The Porter Limited Dividend Housing Association,
Limited Partnership
c/o The Porter Management, LLC
3101 Bee Caves Road, Suite 220
Austin, Texas 78746
Attention: Ryan Fuson

and with a copy to: Rodriguez Wright LLP
739 Calmar Avenue
Oakland, California 94610
Attention: Michael Kass, Esq.

If to Lender: Citibank, N.A.
388 Greenwich Street, Trading 6th Floor
New York, New York 10013
Attention: Transaction and Asset Management Group
Re: The Porter Deal ID No. 60000873
Facsimile: (212) 723-8209

And to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Re: The Porter Deal ID No. 60000873
Facsimile: (805) 557-0924

AND

Citibank N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: The Porter Deal ID No. 60000873
Facsimile: (215) 328-0305

And a copy of any notices of default sent to: Citibank, N.A.
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Re: The Porter Deal ID No. 60000873
Facsimile: (646) 291-5754

The Borrower or the Lender may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 19. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 19, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 19 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

20. Payments on Non-Business Day. If the date for the making of any payment under this Note is not a Business Day, such payment shall be due and payable on the next succeeding Business Day.

21. Terms of Note Governing Payment Matters Control in the Event of any Conflict. In the event the provisions of the Loan Agreement or the other Loan Documents (other than this Note) conflict with the provisions of this Note which govern the terms of repayment of the Loan or the payment of other amounts due in connection with the Loan (including, without limitation, the provisions of this Note which govern the required payments of principal, interest and other amounts due in connection with the Loan, the manner of payment, the calculation of interest, the payment of the Lender's costs and expenses, the application of payments received by the Lender, the acceleration of amounts owed by the Borrower, late charges, default rates of interest, prepayments, prepayment premiums, exit fees or maximum rates of interest or similar charges), the provisions of this Note shall govern and control.

22. Local Law Provisions. N/A

23. Determinations by Lender. Except to the extent expressly set forth in this Note to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Note, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

24. Release; Indemnity.

(a) *Release.* Borrower covenants and agrees that, in performing any of its rights or duties under this Note, neither the Beneficiary Parties, nor their respective agents or employees, shall be liable for any losses, claims, damages, liabilities and expenses that may be incurred by any of them as a result of such performance, except to the extent such liability for any losses, claims, damages, liabilities or expenses arises out of the willful misconduct or gross negligence of such party.

(b) *Indemnity.* Borrower hereby agrees to indemnify and hold harmless the Beneficiary Parties and their respective agents and employees from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, reasonable attorneys' fees and costs and disbursements, which may be imposed or incurred by any of them in connection with this Note, except that no such party will be indemnified for any

losses, claims, damages, liabilities or expenses arising out of the willful misconduct or gross negligence of such party.

25. Governing Law. This Note shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

26. Consent to Jurisdiction and Venue. Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Lender's right to enforce any judgment under this Note against Borrower or any of Borrower's assets in any court of any other jurisdiction where Borrower's assets are located.

27. Severability. The invalidity, illegality or unenforceability of any provision of this Note shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

28. Remedies Cumulative. In the event of Borrower's default under this Note beyond applicable grace, notice and cure periods, if any, the Lender may exercise all or any one or more of its rights and remedies available under this Note, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Lender from exercising any other right or remedy available to the Lender. The Lender may exercise any such remedies from time to time as often as may be deemed necessary by the Lender.

29. No Agency or Partnership. Nothing contained in this Note shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

30. Entire Agreement; Amendment and Waiver. This Note contains the complete and entire understanding of the parties with respect to the matters covered. This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Note shall be considered as a general waiver.

31. Further Assurances. Borrower shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Lender may reasonably request, in order to protect any right or interest granted by this Note or to enable Lender to exercise and enforce its rights and remedies under this Note. Notwithstanding the foregoing, in no event shall Borrower be required to execute and deliver any document or perform any act otherwise required pursuant to this Section

31 to the extent such document or act imposes a material additional obligation or liability on Borrower or materially adversely affects the rights of Borrower under any Loan Document.

32. Captions. The captions of the sections of this Note are for convenience only and shall be disregarded in construing this Note.

33. Servicer. Borrower hereby acknowledges and agrees that, pursuant to the terms of the Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under this Note or the other Loan Documents, and to otherwise service the Loan and (b) unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

34. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

35. Time of the Essence. Time is of the essence with respect to this Note.

36. Modifications. All modifications (if any) to the terms of this Note (“**Modifications**”) are set forth on Schedule C attached to this Note. In the event of a Transfer under the terms of the Security Instrument, other than a Permitted Transfer that does not require the consent of Lender, some or all of the Modifications to this Note may be modified or rendered void by Lender at its option by notice to Borrower or such transferee.

37. Attached Schedules. The following Schedules are attached to this Note and are incorporated by reference herein as if more fully set forth in the text hereof:

Schedule A – Interest Payments

Schedule B – Exit Fee

Schedule C – Modifications to Multifamily Note

The terms of this Note are modified and supplemented as set forth in said Schedules. To the extent of any conflict or inconsistency between the terms of said Schedules and the text of this Note, the terms of said Schedules shall be controlling in all respects.

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IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Multifamily Note or caused this Multifamily Note to be duly executed and delivered by its authorized representative as of the date first set forth above.

BORROWER:

**THE PORTER LIMITED DIVIDEND
HOUSING ASSOCIATION, LIMITED
PARTNERSHIP**, a Michigan limited partnership

By: The Porter Management, LLC,
a Michigan limited liability company
Its: General Partner

By: 
Name: Ryan Fuson
Title: Manager

SCHEDULE A

INTEREST PAYMENTS

1. **Interest Rate.** Except as provided in Sections 8 and 14 of this Note, interest (“**Note Interest**”) shall accrue on the unpaid principal of this Note from, and including, the Closing Date until paid in full at an annual rate (the “**Interest Rate**”) as follows:

(a) **Adjustable Interest Rate.** Interest shall accrue at the Adjustable Rate.

(b) **Interest Rate Adjustment.** The Adjustable Rate shall be determined by Lender on each Rate Determination Date and shall be adjusted on each Reset Date until the Loan is repaid in full. Accrued interest on this Note shall be paid in arrears.

(c) **Maximum Rate.** Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with this Note.

(d) **Interest Accrual.** Note Interest shall be computed on the basis of the actual number of days in the period in respect of which payment is being made divided by 360.

2. **Definitions.** For purposes of this Schedule A, the following terms shall have the meanings set forth below:

“**Accrual Period**” means the period commencing on the first calendar day of each month and continuing to but excluding the first calendar day of the following month (without adjustment in either case for Business Day payment conventions).

“**Adjustable Rate**” means the sum of (i) the Current Index, and (ii) the Margin, which sum is then rounded to five decimal places.

“**Current Index**” means the Index that is determined by Lender on each Rate Determination Date, subject to the limitation that the Current Index shall not be less than 0.50%.

“**Index**” means the London Inter-Bank Offered Rate for 1-month U.S. Dollar-denominated deposits administered by the ICE Benchmark Administration Limited (formerly administered by the British Bankers Association, or such other person which takes over the administration of that rate) which appears on Reuters Screen LIBOR01 Page (or any successor page) as of 11:00 a.m., London time, on the Rate Determination Date (the “**LIBOR**” or “**LIBOR Rate**”).

“**Initial Adjustable Rate**” means 3.00% per annum until the first Reset Date.

“**London Business Day**” shall mean any Business Day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency) in the city of London, England.

“**Margin**” means 2.50%; provided, however, that if the Index is no longer the LIBOR Rate, the Lender may adjust the Margin if needed to maintain a comparable Adjustable Rate.

“Payment Change Date” means the first day of the next succeeding Accrual Period that follows each Reset Date until this Note is repaid in full.

“Rate Determination Date” means two (2) London Business Days prior to the applicable Reset Date.

“Required Monthly Payment” shall have the meaning set forth in Paragraph 3 below.

“Reset Date” means the first day of each Accrual Period.

A-1. Benchmark Replacement.

(1) If Lender determines prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to this Note in respect of all determinations on such date and for all determinations on all subsequent dates.

(2) In connection with the implementation of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time. Notwithstanding anything to the contrary in this Note or in any other Borrower Loan Documents, any amendments to this Note or the other Borrower Loan Documents implementing such Benchmark Replacement Conforming Changes will become effective and binding on Borrower upon notice by Lender to Borrower without the necessity of any action by or consent of Borrower.

(3) Any determination, decision or election that may be made by Lender pursuant to this Note, including any determination with respect to administrative feasibility (whether due to technical, administrative or operational issues), a tenor, a rate, an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, and, notwithstanding anything to the contrary in the documentation relating to this Note, will become effective without consent from any other party. Each such determination, decision and election will be in Lender’s sole discretion.

(4) Lender will promptly provide at least five (5) Business Days’ notice to the Borrower of (i) any Benchmark Replacement Date and the related Benchmark Replacement, (ii) the effectiveness of any Benchmark Replacement Conforming Changes, and (iii) the removal or reinstatement of any tenor of a Benchmark. For the avoidance of doubt, any notice required to be delivered by the Lender as set forth herein may be provided, at the option of the Lender (in its sole discretion), in one or more notices and may be delivered together with, or as part of any amendment which implements any Benchmark Replacement or Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Lender pursuant to this subsection (4) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from the Borrower.

(5) On a Benchmark Replacement Date the defined terms set forth in Section 2 of this Schedule A and defined in this Clause (5) shall be replaced with the following definitions and the other defined terms set forth in this Clause (5) shall have the following meanings:

“Accrual Period” means the period commencing on the first calendar day of each month and continuing to but excluding the first calendar day of the following month (without adjustment in either case for Business Day payment conventions). The initial Accrual Period shall be the period commencing on the Benchmark Replacement Date and continuing to but excluding the first calendar day of the month in which the Loan Payment Date occurs.

“Adjustable Rate” means the sum of (i) the Current Index, and (ii) the Margin, which sum is then rounded to five decimal places.

“Benchmark” means, initially, LIBOR; provided that if Funding Lender determines prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by Lender as of the Benchmark Replacement Date.

(a) the sum of (i) Term SOFR if, on the applicable Rate Determination Date, Lender determines in its sole discretion that Term SOFR will be operationally, administratively and technically feasible, and (ii) the Benchmark Replacement Adjustment;

(b) the sum of (i) Compounded SOFR if, on the applicable Rate Determination Date, Lender determines in its sole discretion that Compounded SOFR will be operationally, administratively and technically feasible, and (ii) the Benchmark Replacement Adjustment; or

(c) the sum of (a) the alternate Benchmark rate that has been selected by Lender as the replacement for the then Current Index giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then Current Index for U.S. dollar-denominated secured real estate loans at such time and (b) the Benchmark Replacement Adjustment.

If (i) a Benchmark Replacement Date has occurred and the applicable Benchmark Replacement on such Benchmark Replacement Date is a Benchmark Replacement other than Term SOFR, (ii) subsequently, the Relevant Governmental Body recommends for use a term rate based on SOFR and (iii) the Lender determines (in its sole discretion) that such term rate based on SOFR is administratively feasible for the Lender, then the Lender may (in its sole discretion) provide the Borrower with written notice that from and after a date

identified in such notice: (i) a Benchmark Replacement Date shall be deemed to have occurred, the Benchmark Replacement on such Benchmark Replacement Date shall be deemed to be a Benchmark Replacement determined in accordance with clause (1) of the definition of “Benchmark Replacement”; provided, however, that if upon such Benchmark Replacement Date the Benchmark Replacement Adjustment is unable to be determined in accordance with clause (a) of the definition of “Benchmark Replacement” and the corresponding definition of “Benchmark Replacement Adjustment”, then the Benchmark Replacement Adjustment in effect immediately prior to such new Benchmark Replacement Date shall be utilized for purposes of this Benchmark Replacement and (ii) such forward looking term rate shall be deemed to be the forward looking term rate referenced in the definition of “Term SOFR” for all purposes hereunder or under any Loan Document in respect of any Benchmark setting and any subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Note or any other Loan Document.

Notwithstanding the foregoing, the change to the Benchmark Replacement shall not become effective until the Lender shall have received, if required by the Lender in its sole and absolute discretion, an opinion of Tax Counsel that the use of such substitute Benchmark Replacement, and any related Benchmark Replacement Conforming Changes and/or Benchmark Replacement Adjustment, shall have no adverse effect upon the exclusion from income for federal tax purposes of the interest on the Funding Loan.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by Lender as of the Benchmark Replacement Date:

(a) the spread adjustment (which may be a positive or negative value or zero) which appears on Bloomberg Screen SUS0001M (or any successor page) on the Rate Determination Date, applied to the Accrual Period, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or

(b) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Lender giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to Accrual Periods, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters, including whether such formula shall be cumulative or non-cumulative) that Lender decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender

determines that no market practice for use of the Benchmark Replacement exists, in such other manner as Lender determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or

(c) in the case of clause (d) of the definition of “Benchmark Transition Event,” the date specified in the notice to the Borrower, so long as Lender has made a determination that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities in the U.S. syndicated or bilateral loan market at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including Term SOFR, Daily Simple SOFR or a term SOFR or any other rate based upon Daily Simple SOFR) as a benchmark rate.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Source” means with respect to Compounded SOFR, the FRBNY’s Website, if Compounded SOFR is published thereon or a substitute Current Index selected by Lender as a Benchmark Replacement Conforming Change.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the

central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative; or

(d) a determination by the Lender (in its sole discretion) by notice to the Borrower, so long as the Lender has made a determination that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities in the U.S. syndicated or bilateral loan market at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including Term SOFR, Daily Simple SOFR or a term SOFR or any other rate based on or referencing SOFR) as a benchmark rate.

“Compounded SOFR” means the compounded average of Daily Simple SOFR over a rolling 30-calendar day period as such rate is currently published on the Benchmark Source as “30-Day Average SOFR.

“Current Index” means the Benchmark Replacement that is determined by Lender on each Rate Determination Date, subject to the limitation that the Current Index shall not be less than 0.50%.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

“FRBNY’s Website” means the website of the Federal Reserve Bank of New York, currently at <https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind>, or at such other page as may replace such page on the FRBNY’s website.

“Margin” means 2.50%;

“Payment Change Date” means the first day of the next succeeding Accrual Period that follows each Reset Date until this Note is repaid in full.

“Rate Determination Date” means 3:00 p.m. (New York time) on the U.S. Government Securities Business Day most recently preceding such Reset Date.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is Term SOFR or Compounded SOFR, the Rate Determination Date, and (2) if the Benchmark is not a rate based on or referencing SOFR, the time determined by Funding Lender after giving effect to the Benchmark Replacement Conforming Changes.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Required Monthly Payment” shall have the meaning set forth in Paragraph 3 below.

“Reset Date” means the first day of each Accrual Period.

“SOFR” means the Secured Overnight Financing Rate.

“Term SOFR” means the forward-looking term rate with a tenor of approximately one calendar month based on SOFR that is selected or recommended by the Relevant Governmental Body.

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association (or a successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

3. Monthly Interest Only Payments. Consecutive monthly installments of interest only, each in the amount of the Required Monthly Payment (defined below), shall be payable on each Loan Payment Date until the entire unpaid principal balance evidenced by this Note is fully paid. The Required Monthly Payment shall be the amount equal to the Note Interest that has accrued on the unpaid principal balance of the Loan during the applicable Accrual Period, and shall change on each Payment Change Date based on the applicable Adjustable Rate and unpaid principal balance. The entire unpaid principal balance and accrued but unpaid interest, if not sooner paid, shall be due and payable on the Maturity Date.

4. Notification of Required Monthly Payment. Before each Payment Change Date, Lender shall re-calculate the Adjustable Rate and shall notify Borrower (in the manner specified in Section 18 of this Note for giving notices) of any change in the Required Monthly Payment.

5. **Error in Calculation of Required Monthly Payment.** If Lender at any time determines, in its sole but reasonable discretion, that it has miscalculated the amount of the Required Monthly Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the Required Monthly Payment (and the corrected Adjustable Rate, if applicable) and (a) if the corrected amount of the Required Monthly Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of the Required Monthly Payment not been miscalculated, or (b) if the corrected amount of the Required Monthly Payment represents a decrease thereof and Borrower is not otherwise in breach or default under any of the terms and provisions of this Note, the Security Instrument or any other Loan Document, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Required Monthly Payment not been miscalculated.

6. **Short Month Interest.** If the date of this Note is any day other than the first day of the month, interest for the period beginning on the date of this Note and ending on and including the last day of this month shall be payable by Borrower, on and as of the date of this Note.

SCHEDULE B

EXIT FEE

The Exit Fee payable under Section 10 of this Note shall be computed as follows:

(a) The Exit Fee payable under Section 10 of this Note upon any voluntary or involuntary repayment of this Note shall be determined by multiplying the original principal amount of the Loan being repaid by two percent (2.00%) (the “**Exit Fee**”).

(b) If at any time Borrower shall seek permanent, re-development or other financing for the Mortgaged Property, Borrower shall provide Lender with a written notice setting forth a reasonably detailed description of Borrower’s requirements for such financing or refinancing (a “**Refinancing Proposal**”). Lender may deliver a written application for refinancing the Mortgaged Property to Borrower with commercially reasonable terms (“**Lender’s Refi Proposal**”) within thirty (30) days from the date Lender receives a Refinancing Proposal. Notwithstanding anything to the contrary herein, no Exit Fee shall be owed if Borrower and Lender close a refinance of the Mortgaged Property or Lender fails to deliver a Lender’s Refi Proposal to Borrower as provided above.

SCHEDULE D

MODIFICATIONS TO MULTIFAMILY NOTE

The following modifications are made to the text of the Note that precedes this Schedule:

1. Section 9 is amended by adding the following sentence to the end of subsection (d) thereof:

“Borrower shall be personally liable to Lender for the payment of any payments made to Borrower under the HAP Contract (as defined in the Security Instrument) to the extent such payments are not made to the Lender as provided for under that certain Assignment of Housing Assistance Payments Agreement (pertaining to the HAP Contract, as defined therein), dated as of the Closing Date, by Borrower (as Owner) for the benefit of Lender.”

Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Note.



I HEREBY CERTIFY that there are no TAX LIENS or TITLES held by the state or any individual against the within description, and all TAXES on same are paid for five years previous to the date of this instrument as appears by the records of this office, except as stated.

Eric Schertz, Ingham County Treasurer

Sec.135, Act 206, 1893 as amended

6/2/2021 by CB

WARRANTY DEED

The Grantor, Porter Partners Limited Dividend Housing Association, LLC a Michigan limited liability company, whose address is 4530 E. Thousand Oaks Blvd., Suite 100, Westlake Village, CA 91362, conveys and warrants to Grantee, The Porter Limited Dividend Housing Association, Limited Partnership, a Michigan limited partnership, whose address is 3101 Bee Caves Road, Suite 220 Austin, TX 78746, the following described premises situated in the City of Lansing, County of Ingham, and State of Michigan:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN

commonly known as Porter Apartments, located at 505 Townsend Street, Lansing, Michigan (the "Property") for the sum of Eight Million Three Hundred Thousand and no/100 Dollars (\$8,300,000.00), subject to (a) liens, encumbrances, easements, covenants, conditions, building and use restrictions and matters of record or of which Grantee has created or of which Grantee has knowledge or notice; and (b) all matters which would be revealed or disclosed in an accurate survey or inspection of the above described real estate, including shortages in area, boundaries and encroachments.

To have and to hold the Property, as aforesaid, unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself and its successors and assigns, to warrant and forever defend all and singular, the Property unto Grantee, its successors and assigns, against every person, whomsoever lawfully claiming or to claim the same, or any part thereof by, through or under Grantor, but not otherwise, subject to the foregoing.

Dated this 27 day of May, 2021.

Porter Partners Limited Dividend Housing Association, LLC

By: LS Capital Trus, LLC, Managing Member

By: California Commercial Multi-Family, Inc. Managing Member

By: *Gary Collett*
Name: Gary Collett
Its: President

Drafted by and

When Recorded Return To:

Ryan Fuson

c/o The Porter Limited Dividend Housing Association

3101 Bee Caves Road, Suite 220

Austin, TX 78746

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF Ventura) SS.

On May 24, 2021, before me, Janna Lyn Chambers, Notary Public, personally appeared Garry Collett, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

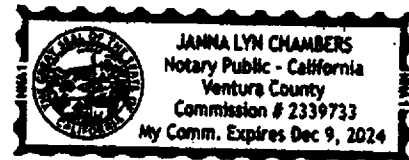
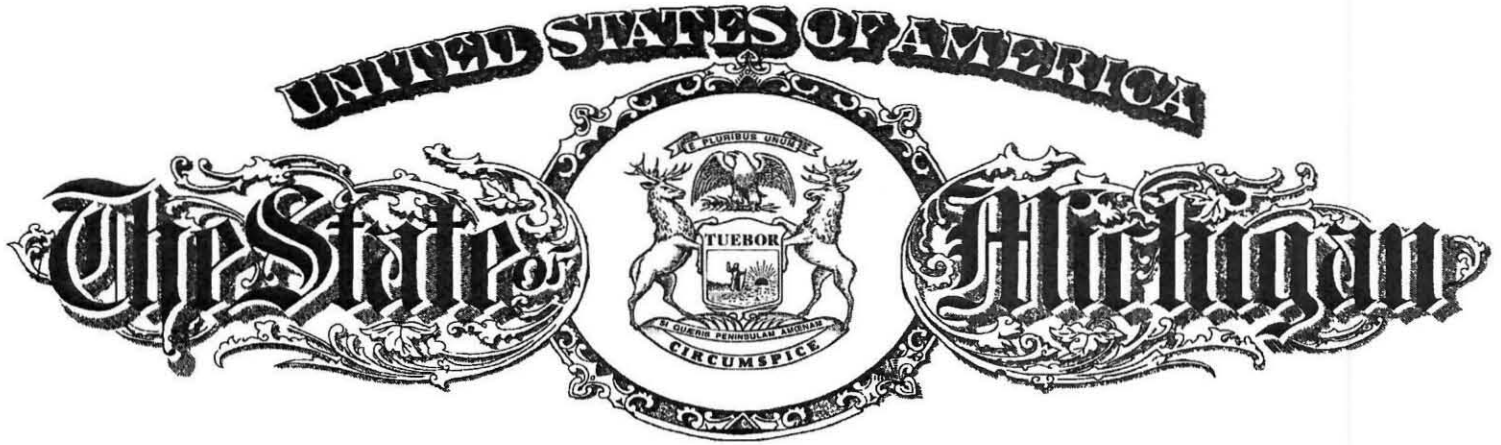


Exhibit A

Land Situated in the State of Michigan, County of Ingham, City of Lansing.

That part of Lots 7, 8, 9, 10, 11 and 12, Block 148, ORIGINAL PLAT OF THE CITY OF LANSING, Ingham County, Michigan, as recorded in Liber 2, Page 36 of Plats, Ingham County Records, described as: Beginning at the Northwest corner of Lot 12, Block 148; thence North 89 degrees 56 minutes 49 seconds East 122.52 feet on the North line of Block 148; thence South 00 degrees 04 minutes 36 seconds West 90.00 feet on a line 17.0 feet East of the East wall of the existing apartment building; thence South 47 degrees 31 minutes 21 seconds West 6.64 feet; thence South 00 degrees 04 minutes 36 seconds West 72.0 feet; thence South 89 degrees 49 minutes 35 seconds East 4.09 feet; thence South 00 degrees 04 minutes 37 seconds West 163.16 feet to the South line of Lot 8; thence North 89 degrees 59 minutes 02 seconds West 22.00 feet; thence South 00 degrees 16 minutes 09 seconds West 65.88 feet to the South line of Lot 7; thence South 89 degrees 56 minutes 24 seconds West 36.00 feet; thence North 00 degrees 09 minutes 48 seconds East 66.27 feet to the South line of Lot 8; thence South 89 degrees 42 minutes 06 seconds West 63.15 feet to the West line of Block 148; thence North 00 degrees 00 minutes 00 seconds East 329.51 feet on the West line of Block 148 to the point of beginning.

Tax Parcel: 33-01-01-16-380-073



Department of Licensing and Regulatory Affairs

Lansing, Michigan

This is to Certify that the annexed copy has been compared by me with the record on file in this Department and that the same is a true copy thereof.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by electronic transmission

Certificate Number: 21020043909

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 2nd day of February, 2021.

Linda Clegg

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

Verify this certificate at: URL to eCertificate Verification Search <http://www.michigan.gov/corpverifycertificate>.



**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

Date Received

2/1/2021 12:12

AC1

(FOR BUREAU USE ONLY)

\$60 V CEPAS 21012825746317

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

FILED**FEB 01 2021**

**ADMINISTRATOR
CORPORATIONS DIVISION**

Name

The Porter Limited Dividend Housing Association, Limited Partnership

Address

c/o The Porter Management, LLC, 3101 Bee Caves Road, Suite 220

City

Austin,

State

TX

ZIP Code

78746

EFFECTIVE DATE:

Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office.

CERTIFICATE OF LIMITED PARTNERSHIP

For use by Domestic Limited Partnerships

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 213, Public Acts of 1982, the undersigned execute the following Certificate.

Section 1

The name of the limited partnership is: The Porter Limited Dividend Housing Association, Limited Partnership

Section 2

The general character of its business is:
See attachment.

Section 3

- a. The address of the office at which the limited partnership records are kept is:
505 Townsend Street, Lansing, MI 48933
- b. The name of the agent for service of process is:
The Corporation Company
- c. The address of the agent for service of process is:
40600 Ann Arbor Road East, Suite 201, Plymouth, MI 48170

Section 4

The power of a limited partner to grant the right to become a limited partner to an assignee of any part of the partnership interest, and the terms and conditions of the power, are as follows:
See attachment.

Section 5

- a. Describe the times or events when a **general partner** may terminate membership in the limited partnership, and the terms and conditions of the termination.

See attachment.

- b. Describe the times or events when a **limited partner** may terminate membership in the limited partnership. Include the amount or method of determining any distribution the limited partner is entitled to receive upon termination of their membership.

See attachment.

Section 6

The right of the limited partner to receive distributions of property, including cash, from the limited partnership, other than the indicated in 5(b), is:

See attachment.

Section 7

The right of the limited partner to receive, or a general partner to make to a limited partner, distributions of property, which include a return of all or any part of the limited partner's contribution, other than indicated in 5(b), is:

See attachment.

Section 8

The times or events at which the limited partnership is to be dissolved and its affairs wound up are:
See attachment.

Section 9

The right of the remaining general partner(s) to continue the business upon the event of withdrawal of a general partner is:
See attachment.

Section 10

Enter any other matters the partners may desire to include. If additional space is required attach a supplement. Attached are _____ page(s):

Total document length, 11 pages, including attachment mentioned in sections above.

Section 11

Complete one section for each partner (general and limited). General partners must be listed first followed by limited partners.

Item 1 - The type of partner must be either general or limited.

Item 2 - Partner names of individuals must appear in the last name, first name, middle initial sequences. Partner names of trusts should be the trust name excluding the name of the trustee or trustees.

Item 3 - Indicate the business or residence address of the partner. The address should include the street number and name, city, state, and ZIP Code.

ITEMS 4 & 5 - LIMITED PARTNERS ONLY - ONE OR BOTH MUST BE COMPLETED

Item 4 - If applicable, indicate the amount of cash previously contributed. If contributions have been made in the form of property or service, indicate the agreed dollar value of the contribution in the "other \$ ____" space and complete item 6.

Item 5 - If applicable, indicate the amount of cash to be contributed in the future and complete Item 7. If there are future contributions in the form of property or services, indicate the agreed dollar value of the contribution in the "other \$ ____" space and complete Items 6 and 7.

Item 8 - This certificate must be signed and dated by all partners (general and limited) named in the Certificate. A partner may sign by attorney in fact.

Section 11

1. Type of Partner ☒ General ☐ Limited		2. Partner Name (see instructions for Section 11, Item 2) The Porter Management, LLC, a Michigan limited liability company	
3. Address (No., Street, City, State, ZIP Code) 3101 Bee Caves Road, Suite 220, Austin, TX 78746			
4. Contributions Previously Made (Limited Partners Only) Cash \$ _____ Other \$ _____		5. Future Contributions to be Made (Limited Partners Only) Cash \$ _____ Other \$ _____	
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed)			
7. Times or Events Requiring Future Contributions: (Cash, Property or Services)			
8. Signature 		9. Date 1/27/2021	

1. Type of Partner ☐ General ☒ Limited		2. Partner Name (see instructions for Section 11, Item 2) Redwood Housing Realty, LLC, a Delaware limited liability company	
3. Address (No., Street, City, State, ZIP Code) c/o Redwood Housing Partners, LLC, 3101 Bee Caves Road, Suite 220, Austin, TX 78746			
4. Contributions Previously Made (Limited Partners Only) Cash \$ 99.99 Other \$ _____		5. Future Contributions to be Made (Limited Partners Only) Cash \$ _____ Other \$ _____	
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed)			
7. Times or Events Requiring Future Contributions: (Cash, Property or Services)			
8. Signature 		9. Date 1/27/2021	

1. Type of Partner ☐ General ☐ Limited		2. Partner Name (see instructions for Section 11, Item 2)	
3. Address (No., Street, City, State, ZIP Code)			
4. Contributions Previously Made (Limited Partners Only) Cash \$ _____ Other \$ _____		5. Future Contributions to be Made (Limited Partners Only) Cash \$ _____ Other \$ _____	
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed)			
7. Times or Events Requiring Future Contributions: (Cash, Property or Services)			
8. Signature		9. Date	

**ATTACHMENT TO CERTIFICATE OF LIMITED PARTNERSHIP
FOR
THE PORTER LIMITED DIVIDEND
HOUSING ASSOCIATION, LIMITED PARTNERSHIP**

SECTION 2.

The Limited Partnership has been organized exclusively to provide housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), and to the extent applicable, Section 42 of the Internal Revenue Code of 1986, as amended, and for social, recreational, commercial, and communal facilities as may be necessary to serve and improve a residential area in which Authority-aided or federally-aided housing is located or is planned to be located, thereby enhancing the viability of the housing. The Limited Partnership shall exercise general powers only in furtherance of this purpose.

SECTION 4.

A Limited Partner does not have the right or the power to assign its partnership interest or any part thereof, or the right or the power to grant the right to become a limited partner to any assignee of its partnership interest or any part thereof, without the prior written consent of the General Partner.

SECTION 5.a.

The General Partner shall have the free and unrestricted right to admit additional general or limited partners to the Partnership under such circumstances, and on such terms and conditions, as it shall determine, in its sole and absolute judgment, to be necessary or appropriate; and the General Partner shall have the right, power and authority, acting alone, to amend such provisions of this Agreement and to execute and/or file such documents (including, but not limited to, the execution and filing of amendments to, or restatements of, the Certificate), and to take such actions, for and on behalf of the Partnership, the General Partner and the Partnership as it shall determine, in its sole and absolute judgment, to be necessary or appropriate in connection with the admission of any such additional general or limited partner(s) to the Partnership.

SECTION 5.b.

The Limited Partner does not have a right to terminate its membership in the Limited Partnership. Only upon liquidation of the property and assets of the Limited Partnership is the Limited Partner entitled to receive any portion of the proceeds of such liquidation, which is subject to the following provisions of the Limited Partnership Agreement:

Upon the dissolution of the Partnership, the General Partner shall proceed to wind up the business and affairs of the Partnership, and liquidate the property and assets of the Partnership (by selling such property and assets to any person or persons, including any Partner and any Affiliate of a

Partner). The proceeds of such liquidation shall be applied and distributed in the following order of priority:

- a. To the expenses of the liquidation;
- b. To the payment of all Partnership debts and liabilities (including any Partnership debts or liabilities to the General Partner);
- c. To the establishment of any reserves which the General Partner deems necessary or advisable to provide for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership; provided, however, that after the expiration of such period of time as the General Partner deems advisable, the balance of such reserves remaining after payment of such contingencies shall be distributed in the manner hereinafter set forth in this Section 7.01; and
- d. Any remaining proceeds shall be distributed to, and allocated among, the Partners, *pro rata*, in accordance with their respective Capital Account balances.

SECTION 6.

A Limited Partner has no right to receive distributions which include a return of all or any part of such Limited Partner's contribution, other than as indicated in Section 3.02 of the Limited Partnership Agreement. The General Partner has the right to make distributions to the Limited Partners as indicated in the Limited Partnership Agreement, without regard to whether such distributions include a return of all or any part of such partner's contribution.

A Limited Partner shall be entitled to receive its *pro rata* portion, based on the amount that such Limited Partner has contributed to the capital of the Partnership in relation to the amount that the Partners have contributed to the capital of the Partnership, of any cash of the Partnership that the General Partner elects to have distributed to the Partners. The determination of whether or when any cash shall be distributed, and the amount of any cash to be distributed, to the Partners shall be within the sole and absolute discretion of the General Partner.

SECTION 7.

See Sections 5.b. and 6.

SECTION 8.

The term of the Partnership shall end and the Partnership shall dissolve on December 31, 2071; provided, however, if any of the following events shall occur prior thereto, the Partnership shall dissolve on the first to occur of such events:

1. A sale or any other event that results in the Partnership ceasing to have any interest in, 505 Townsend Street, Lansing, Michigan (the "Property"); provided however, that if such sale or other event results in the acquisition of a receivable, then the Partnership shall not dissolve until such receivable has been collected, unless the General Partner shall decide otherwise;
2. The decision of the General Partner to terminate the Partnership; or
3. Any other event which, under the Partnership Act, results in the dissolution of the Partnership.

SECTION 9.

The General Partner shall have the right, power and authority, for and on behalf of the Partnership, on terms and conditions agreeable to it to cause the Partnership to...(13) Admit a person (as defined in the Partnership Act) as a general or limited partner of the Partnership.

SECTION 10.

MSHDA Required Provisions:

See also Section 2 above.

Notwithstanding any other provisions of this Certificate of Limited Partnership, by acceptance of a beneficial interest in the Limited Partnership or by executing the document of basic organization, every partner of the Limited Partnership shall be deemed to have agreed that he or she at no time shall receive from the Limited Partnership, any return in excess of the face value of the investment attributable to his or her respective interest plus cumulative dividend payments at a rate which the Michigan State Housing Development Authority (the "**Authority**") determines to be reasonable and proper, computed from the initial date on which money was paid or property delivered in consideration for the interest; and that upon the dissolution of the Limited Partnership, any surplus in excess of those amounts shall be paid to the Authority or to any other regulating governmental body as the Authority directs.

As used in the foregoing paragraph, the terms "**surplus**" and "**return**" are defined as follows:

(1) The term "**surplus**" as used herein shall not be deemed to include any increase in assets of the Limited Partnership by reason of reduction of a mortgage, by amortization or similar payments, or realized from the sale or disposition of any assets of the Limited Partnership to the extent such surplus can be attributed to any increase in market value of any real property or tangible personal property accruing during the period the assets were owned and held by the Limited Partnership.

(2) Any payment to a person having a beneficial interest in the Limited Partnership shall not be deemed a "**return**" to such person if the funds with which such payment is made are funds

contributed to the Limited Partnership by persons purchasing a beneficial interest in the Limited Partnership.

Notwithstanding any other provisions of this Certificate of Limited Partnership, any or all of the operations of the Limited Partnership may be supervised by the Authority or by any other governmental body as the Authority directs, and the Limited Partnership shall enter into agreements with the Authority or with the governmental body as the Authority from time to time requires. The agreements shall provide for regulation by the Authority or the governmental body of the planning, development and management of any or all of the housing developments undertaken by the Limited Partnership and the disposition of any or all of the property and franchises of the Limited Partnership.

Notwithstanding any other provisions of this Certificate of Limited Partnership the Authority shall have the power to appoint a managing agent of the Limited Partnership and its partners, who may be an officer, employee, or agent of the Authority, and such managing agent shall have complete power to act as agent and attorney-in-fact for the Limited Partnership and its partners, in connection with any or all of the assets or liabilities of the Limited Partnership, to fulfill any obligations the Limited Partnership may have to the Authority if:

(1) The Limited Partnership has received a loan or advance as provided in the Act and the Authority determines that the loan or advance is in jeopardy of not being repaid;

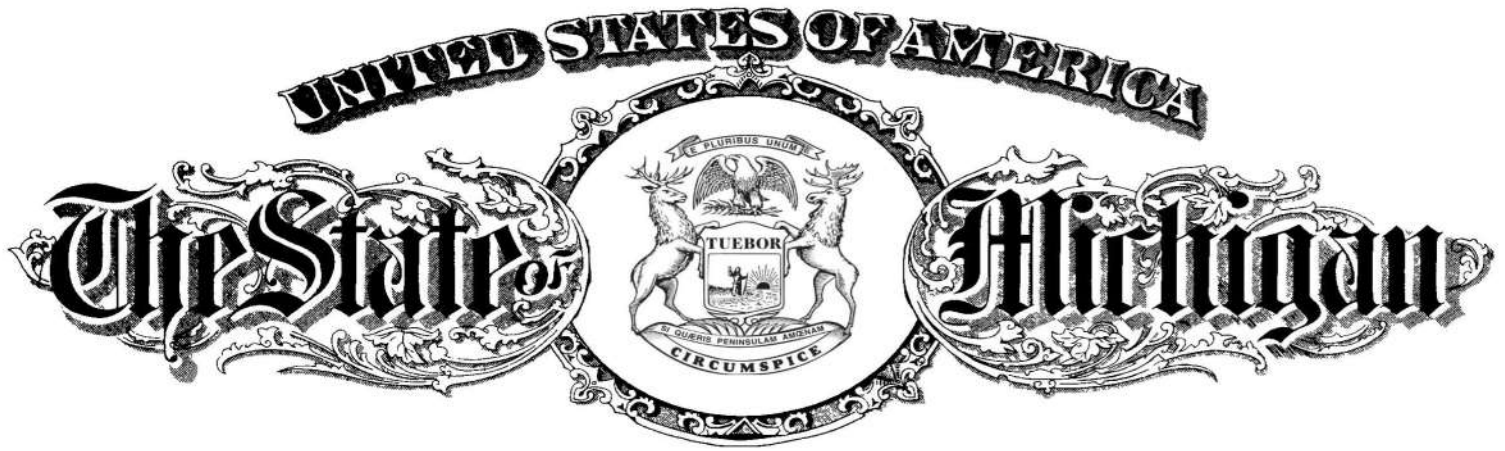
(2) The Limited Partnership has received a loan or advance as provided for in the Act and the Authority determines that the proposed housing development for which the loan or advance was made is in jeopardy of not being constructed;

(3) The Authority determines that some part of the net income or net earnings of the Limited Partnership, in excess of that permitted by other provisions of the Act, shall inure to the benefit of any private individual, firm, Limited Partnership, partnership, trust or association;

(4) The Authority determines that the Limited Partnership is in violation of the rules promulgated under Section 22 of the Act; or

(5) The Authority determines that the Limited Partnership is in violation of any agreements entered into with the Authority providing for regulation by the Authority of the planning, development and management of any housing development undertaken by the Limited Partnership or the disposition of the property and franchises of such Limited Partnership.

Notwithstanding any other provisions of this Certificate of Limited Partnership, the partners of the Limited Partnership agree that the Authority may rely upon the continuing effect of the Certificate of Limited Partnership in this form as approved by the Authority and, by the execution of this Certificate of Limited Partnership, such partners agree not to amend, alter or change the provisions of this Certificate of Limited Partnership without the prior written consent of an Authorized Officer of the Authority.



Department of Licensing and Regulatory Affairs
Lansing, Michigan

This is to Certify That

THE PORTER LIMITED DIVIDEND HOUSING ASSOCIATION, LIMITED PARTNERSHIP

a Michigan limited partnership, was formed on February 1 , 2021.

I FURTHER CERTIFY that the Certificate of Limited Partnership has not been canceled and is in full force and effect as of this date.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by electronic transmission

Certificate Number: 21020073104

*In testimony whereof, I have hereunto set my hand,
in the City of Lansing, this 3rd day of February , 2021.*

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

Verify this certificate at: URL to eCertificate Verification Search <http://www.michigan.gov/corpverifycertificate>.

Management Experience

This page must be included as Exhibit 12c

Management Entity:	KMG Prestige, Inc.
Is the management entity identified above the same as shown in Section C.4 of the LIHTC Program Application? Yes	
If you answered “No”, explain the relationship between the management entity shown here and the management entity in the application:	

Complete the chart below. Failure to fully complete this chart or clearly define the relationship between the management entity identified here and in the LIHTC Program Application may result in a loss of points when applying for LIHTC.

Name of Project Managed	City and State	Number of Units	Date of Management (mm/dd/yy)*		Type of Financing	LIHTC Project?**	Does the Project have any uncorrected 8823s that have been outstanding longer than 6 months?***	Included in Point Total for Management Experience Points?
			Begin	End				
121 Arthur Avenue	Lake, IL	12	09/20/12	03/26/13	Conventional			
1777 Haslett Road	East Lansing, MI	57	04/01/13	12/31/19	MSHDA Tax Credit	LIHTC	NO	NO
304 River Edge	Williamston, MI	30	05/01/17		Conventional			
3212 W Wisconsin	Milwaukee, WI	21	06/25/12	12/17/12	Conventional			
3417 W Hampton	Milwaukee, WI	18	06/25/12	12/20/12	Conventional			
54 th St. Apartments	Wyoming, MI	8	03/01/17		HOME			
54 th St. Apartments II	Wyoming, MI	8	03/01/17		HOME			
5503 W Keefe Ave	Milwaukee, WI	8	06/25/12	12/07/12	Conventional			
5600 S. Michigan Avenue	Chicago, IL	15	09/08/11	10/23/12	Conventional			
601 Bond	Grand Rapids, MI	202	09/01/18	02/14/20	Conventional			

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			Begin	End				
601 West	Grand Rapids, MI	63	12/01/19		Conventional			
9951 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9952 Holly Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9953 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9959 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9961 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9963 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9965 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9969 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
9973 Linda Lane	DesPlaines, IL	6	01/05/12	11/30/12	Conventional			
Agnes Street Apartments	Detroit, MI	24	03/16/09	01/31/11	Conventional Tax Credit	LIHTC	NO	NO
Alana Woods	DeWitt, MI	98	09/01/01	07/31/08	Conventional			
Alberta W. King Village	Detroit, MI	121	05/21/07		MSHDA Tax Credit	LIHTC	NO	YES
Alden Towers	Detroit, MI	381	08/22/12	10/31/13	Conventional			
Alexandrine Square	Detroit, MI	30	01/01/13	03/31/16	Conventional Tax Credit	LIHTC	NO	NO
Allegan Senior Apartments	Allegan, MI	20	09/15/11	07/31/13	Conventional Tax Credit	LIHTC	NO	NO

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			Begin	End				
Alpine Alten Zimmer I	Gaylord, MI	46	01/01/08		Conventional HUD Section 8			
Alpine Alten Zimmer II	Gaylord, MI	48	07/29/09		MSHDA RD Tax Credit	LIHTC	NO	YES
Alpine Alten Zimmer II	Gaylord, MI	24	01/01/08	07/29/09	RD 515			
Alpine Alten Zimmer III	Gaylord, MI	24	01/01/08	07/29/09	RD 515 Tax Credit	LIHTC	NO	NO
Alpine Haus	Gaylord, MI	50	04/01/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Amazon Apartments	Muskegon, MI	129	04/25/11	05/26/17	Conventional Tax Credit	LIHTC	NO	YES
Apartments at Sauk Trail	Coldwater, MI	210	05/01/17		Conventional			
Apple Ridge Apartments	Livonia, MI	273	05/01/08	06/30/09	Conventional			
Apple Ridge Apartments	Livonia, MI	273	09/15/04	02/04/15	Conventional			
Appleridge Apartments	Big Rapids, MI	72	01/01/92		Conventional HUD Section 8			
Ardmore Apartments	Grand Rapids, MI	48	03/15/10	12/31/10	Conventional			
Architects Building	Detroit, MI	51	03/06/09		Conventional Tax Credit	LIHTC	NO	YES
Arboretum Apartments	Mt. Pleasant, MI	54	06/01/07	08/29/08	Conventional			
Armory Arts	Jackson, MI	62	07/31/06	09/30/13	Conventional Tax Credit	LIHTC	NO	NO
Art Center	Detroit, MI	60	03/18/13		HUD Tax Credit	LIHTC	NO	YES
Aspen Apartments	Gaylord, MI	80	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Athletic Way	Sun Prairie, WI	12	05/04/10	02/10/11	Conventional			

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			Begin	End				
Auburn Square	Auburn, MI	24	01/01/08	02/29/12	RD 515			
Autumn Grove	Newaygo, MI	24	02/01/02	12/31/07	RD 515 Tax Credit	LIHTC	NO	NO
Avery Square	Sault Ste. Marie, MI	57	07/29/96		Conventional Tax Credit	LIHTC	NO	YES
Bailey Park	Battle Creek, MI	267	12/16/17		Conventional			
Ballenger Court	Flint, MI	72	02/01/11	03/31/13	Conventional Tax Credit	LIHTC	NO	NO
Ballentine	Lansing, MI	18	01/01/05		MSHDA PBV			
Barnett Station	Shelby, MI	32	12/15/10	08/31/12	MSHDA Tax Credit	LIHTC	NO	NO
Bay Front Apartments	Traverse City, MI	7	01/01/12		MSHDA Tax Credit Supportive Hsg	LIHTC	NO	YES
Bay Hill I	Traverse City, MI	150	08/01/11		MSHDA Tax Credit	LIHTC	NO	YES
Bay Hill II	Traverse City, MI	72	08/01/11		MSHDA Tax Credit	LIHTC	NO	YES
Bayberry Farms Village	Wyoming, MI	64	01/01/21		MSHDA Tax Credit	LIHTC	NO	YES
Bayside Village	Traverse City, MI	30	04/06/16		Section 8			
Bayview Apartments	Frankfort, MI	56	01/01/08	09/30/10	RD 515			
Beacon Hill Apartments	Radcliff, KY	34	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Bear Creek Apartments	Traverse City, MI	40	06/17/09	05/17/10	Conventional			
Bear Creek Villa	Clarksville, MI	24	12/1/17		HUD			
Beecher House Apartments	Somerset, KY	62	02/01/18	12/31/18	HUD			

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			Begin	End				
Bell Building	Detroit, MI	155	03/01/11		Conventional Tax Credit PBV	LIHTC	NO	YES
Bellaire Senior Apartments	Bellaire, MI	11	01/01/06		Conventional Tax Credit	LIHTC	NO	YES
Belle River Court	Memphis, MI	24	01/01/08	10/30/14	RD 515			
Bellevue Place	Ionia, MI	48	10/01/05	07/31/12	MSHDA Tax Credit	LIHTC	NO	NO
Bellevue Place II	Ionia, MI	49	10/07/05	07/31/12	MSHDA Tax Credit	LIHTC	NO	NO
Bellevue Place	Bellevue, MI	36	10/08/02	12/31/07	RD 515 R/A Tax Credit	LIHTC	NO	NO
Benton Harbor Hope VI	Benton Harbor, MI	70	10/01/06		Conventional Tax Credit	LIHTC	NO	YES
Benton Place Senior	Benton, IL	43	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Berkshire Muskegon	Muskegon, MI	84	04/30/18		Conventional Tax Credit	LIHTC	NO	YES
Berkshire Niles	Niles, MI	53	04/01/19		Conventional Tax Credit	LIHTC	NO	YES
Berkshire Paw Paw	Paw Paw, MI	42	02/20/17		Conventional Tax Credit	LIHTC	NO	YES
Bethel Townhomes	Indianapolis, IN	94	06/01/09	03/18/10	Conventional			
Big Bend	Kalamazoo, MI	128	07/01/04	02/28/13	MSHDA Tax Credit	LIHTC	NO	NO
Birch Park	Saginaw, MI	120	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Birch Grove Apartments	Grand Rapids, MI	19	03/01/17		Section 8			
Birch Lake Apartments	Ludington, MI	48	06/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Blanchard Apartments	Muir, MI	16	01/01/92		RD 515 R/A Tax Credit	LIHTC	NO	YES

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			Begin	End				

Bliss Park Senior Housing	Saginaw, MI	34	11/17/11		MSHDA Tax Credit	LIHTC	NO	YES
Boardman Lake	Traverse City, MI	112	12/30/13	06/01/16	RD Tax Credit	LIHTC	NO	NO
Boardman Lake I	Traverse City, MI	80	01/01/08	12/30/13	RD 515			
Boardman Lake II	Traverse City, MI	32	01/01/08	12/30/13	RD 515			
Boulder Creek	Burton, MI	135	06/01/06	08/31/11	Conventional Tax Credit HUD Section 8	LIHTC	NO	NO
Boulevard Lawn	Detroit, MI	27	05/21/07	06/30/14	MSHDA Tax Credit	LIHTC	NO	NO
Bradley Place I	Bradley, IL	60	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Bradley Place II	Bradley, IL	47	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Bree Manor	East China, MI	48	05/26/94		RD 515 R/A Tax Credit	LIHTC	NO	YES
Brentwood Apartments	Belding, MI	50	03/01/17		Section 8			
Breton Village Green	Grand Rapids, MI	162	01/01/00		MSHDA Section 8			
Brewer Park Homes	Detroit, MI	50	10/01/07	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Brewer Park Homes	Detroit, MI	50	02/12/13	07/13/15	Conventional Tax Credit	LIHTC	NO	NO
Bridge Village	Sault Ste. Marie, MI	100	10/01/06		MSHDA RAD			
Bridgeport South Apartments	Frankfort, KY	46	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Bridgeview Apartments	St. Ignace, MI	40	01/01/08	04/27/12	RD 515			
Bridgton Place	Saginaw, MI	230	12/20/10		MSHDA HUD Section 8 Tax Credit	LIHTC	NO	YES

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			Begin	End				
Brightmoor Homes I	Detroit, MI	50	03/01/05		Conventional Tax Credit	LIHTC	NO	YES
Brightmoor Homes II	Detroit, MI	50	03/01/05		Conventional Tax Credit	LIHTC	NO	YES
Brightmoor Homes III	Detroit, MI	50	03/01/05		Conventional Tax Credit Supportive Hsg	LIHTC	NO	YES
Brightmoor Homes IV	Detroit, MI	45	04/10/06		Conventional Tax Credit	LIHTC	NO	YES
Bristol Place Residences	Champaign, IL	90	12/1/18	09/07/19	Conventional Tax Credit PBV	LIHTC	NO	YES
Bronson Senior Apartments	Bronson, MI	24	02/01/18		RD Tax Credit	LIHTC	NO	YES
Brook Street Apartments	Louisville, KY	37	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Brookwood Springs	Clare, MI	32	07/02/13	10/01/13	Conventional			
Brookview	Stockbridge, MI	16	10/01/93		RD 515 R/A			
Brunson Hill Homes	Benton Harbor, MI	48	02/01/08		Conventional Tax Credit Supportive Hsg	LIHTC	NO	YES
Buersmeyer Manor	Detroit, MI	35	12/01/04		Conventional Tax Credit Supportive Hsg	LIHTC	NO	YES
Burgess Street	Detroit, MI	8	11/24/12	09/16/13	MSHDA (REQ)			
Cambridge Woods	St. Louis, MI	49	11/01/07	07/31/11	MSHDA Tax Credit	LIHTC	NO	NO
Canfield Crossing	Milan, MI	32	01/01/08	12/16/10	RD 515 Tax Credit	LIHTC	NO	NO
Carlton NPHC	Grand Rapids, MI	8	03/01/17		Tax Credit	LIHTC	NO	YES

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			Begin	End				
Carriage Towne Place	Ovid, MI	12	01/01/07		MSHDA Tax Credit	LIHTC	NO	YES
Carriage Towne Place II	Ovid, MI	12	01/01/07		Conventional Tax Credit	LIHTC	NO	YES
Carson Place	Stanton, MI	26	10/08/02		RD 515 Tax Credit	LIHTC	NO	YES
Carson Square	Traverse City, MI	36	02/15/16		MSHDA Tax Credit PBV	LIHTC	NO	YES
Casa Grande	Atascadero, CA	44	01/01/00		RD 515			
Casa Imperial	Calexico, CA	48	01/01/08	11/30/18	RD 515			
Cascade	Holland, MI	128	06/01/00	10/27/20	Conventional Supportive Hsg			
Cass City Apartments	Cass City, MI	22	01/01/08	10/30/14	RD 515 Tax Credit	LIHTC	NO	NO
Cass Plaza	Detroit, MI	47	12/31/14		Tax Credit	LIHTC	NO	YES
Cathedral Tower Apartments	Detroit, MI	236	08/01/18	03/09/20	Conventional HUD Section 8			
Cathedral Tower Apartments	Detroit, MI	236	03/09/20		Conventional HUD Tax Credit	LIHTC	NO	YES
Cedar Sands	Dowagiac, MI	32	01/01/08	10/30/14	RD 515			
Cedar Tower Apartments	Cincinnati, OH	68	09/14/17	10/31/18	Conventional			
Center Park	Otisville, MI	24	03/01/12	12/31/14	RD 515 Tax Credit	LIHTC	NO	NO
Center Park	Otisville, MI	24	12/01/18	04/01/20	RD 515 Tax Credit	LIHTC	NO	NO
Central Corners	Kalamazoo, MI	13	07/01/09	05/15/15	Conventional			
Central Lake Townhomes	Central Lake, MI	8	07/01/11		RD 515			

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			Begin	End				
Century Place	Greenville, MI	96	01/01/08		RD 515			
Chalmers Square	Detroit, MI	49	01/01/13	09/30/16	MSHDA Tax Credit PBV	LIHTC	NO	NO
Chapel Gardens	Waukegan, IL	22	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Chapita Hills	Shelby, MI	24	11/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Chalaph Veterans Home	Inkster, MI	12	05/15/14	03/01/17	Conventional			
Charlevoix Apartments	Charlevoix, MI	40	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Charring Square	Monroe, MI	200	03/18/13		MSHDA 236 Tax Credit HUD Section 8	LIHTC	NO	YES
Charters Cove	St. Ignace, MI	24	01/01/08	04/27/12	RD 515			
Chateau Heights	Traverse City, MI	8	01/01/08		RD 515			
Cheboygan Shores	Cheboygan, MI	24	01/01/08	04/27/12	RD 515			
Cherry Grove	Mason, MI	44	03/01/06		Conventional			
Cherry Hill	Manistee, MI	48	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Cherry Hill Square	Inkster, MI	120	01/01/13		Conventional Tax Credit	LIHTC	NO	YES
Chesterfield Apartments	Detroit, MI	24	09/01/08		MSHDA Tax Credit	LIHTC	NO	YES
Chesterfield Glen	Chesterfield Twp, MI	128	02/23/04	04/01/11	Conventional Tax Credit	LIHTC	NO	NO
Chilewich Apartments	LaGrange, KY	34	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Church Square Commons	Cleveland, OH	48	11/01/16	02/01/20	Conventional Tax Credit	LIHTC	NO	YES

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Churchman Woods	Indianapolis, MI	90	11/01/95		Conventional			
City Forest of Clark County	Toledo, OH	30	01/01/14		Conventional RD 515 Tax Credit	LIHTC	NO	YES
City Forest of Dayton	Dayton, OH	70	04/25/11	08/30/14	Conventional Tax Credit	LIHTC	NO	NO
City Forest of Springfield	Springfield, OH	75	04/25/11	08/30/14	Conventional Tax Credit	LIHTC	NO	NO
City Forest of Toledo	Toledo, OH	70	04/25/11	08/30/14	Conventional Tax Credit	LIHTC	NO	NO
City Hall Artspace Lofts	Dearborn, MI	53	01/01/16		Conventional Tax Credit	LIHTC	NO	YES
Clinton Street Place	Grand Ledge, MI	24	11/09/06		MSHDA Tax Credit	LIHTC	NO	YES
Cloverlane Apartments	Lakeview, MI	24	07/01/02		RD 515 R/A Tax Credit	LIHTC	NO	YES
Clovernook Apartments	Mt. Healthy, OH	466	08/01/17		Conventional Tax Credit	LIHTC	NO	YES
Coastal Crossings	South Haven, MI	48	01/01/03	07/01/10	MSHDA Tax Credit	LIHTC	NO	NO
Coastal Crossings II	South Haven, MI	40	08/22/04	07/01/10	Conventional			
Cobble Creek I	Grayling, MI	32	01/01/08		RD 515			
Cobble Creek II	Grayling, MI	20	12/01/09		RD 515			
COGIC Village	Bangor, MI	50	08/01/08	12/20/18	Conventional Tax Credit	LIHTC	NO	NO
COGIC Village	Muskegon, MI	36	08/01/08	08/29/19	Conventional Tax Credit	LIHTC	NO	YES
Colonial Manor	Saginaw, MI	36	03/01/09	01/31/16	Conventional			
Conner Creek Elderly	Detroit, MI	48	08/01/07	12/31/10	Conventional Tax Credit	LIHTC	NO	NO
Coronado II Apartments	Detroit, MI	24	03/06/09		Conventional Tax Credit	LIHTC	NO	YES

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Cottages at Griswold Senior Living	Hart, MI	10	07/29/20	10/01/20	Conventional Tax Credit	LIHTC	NO	NO
Country Glen	Howell, MI	32	01/01/08	10/30/14	RD 515			
Country Knoll	Coldwater, MI	32	01/01/08	10/30/14	RD 515			
Country Place	Cadillac, MI	16	01/01/08		Conventional HUD Section 8			
Country Squire	Clinton Township, MI	208	12/16/17		Conventional			
Country View Manor	Lewiston, MI	14	08/01/19		RD			
Courthouse Square	Ann Arbor, MI	116	12/17/20		Conventional Tax Credit	LIHTC	NO	YES
Coventry Woods	Walker, MI	100	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Cranbrook Tower	Ann Arbor, MI	202	01/01/08		HUD HUD Section 8			
Cranes Landing	Toledo, OH	40	11/01/16		Conventional Tax Credit	LIHTC	NO	YES
Creekside Homes	Detroit, MI	45	06/01/08	08/30/12	Conventional Tax Credit	LIHTC	NO	NO
Creekside Homes	Detroit, MI	45	02/15/13	07/13/15	Conventional Tax Credit	LIHTC	NO	NO
Creekside Manor	Mattawan, MI	24	01/01/08	10/30/14	RD 515 Tax Credit	LIHTC	NO	NO
Crooked River	Alanson, MI	16	01/01/08	04/27/12	RD 515			
Crossroads	Reed City, MI	39	01/01/08		MSHDA Tax Credit	LIHTC	NO	YES
Crosswinds Village	Columbus, OH	232	12/17/18	02/01/20	Conventional			
Croswell Manor	Croswell, MI	24	04/01/13		Conventional HUD Section 8			

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Crystal View	Crystal Falls, MI	25	02/01/10	08/31/12	MSHDA Tax Credit	LIHTC	NO	YES
Dartmouth Square	Inkster, MI	126	02/01/15		Conventional			
Daystar Estates	Detroit, MI	50	03/14/11	03/31/12	Conventional Tax Credit	LIHTC	NO	NO
Deerpath	East Lansing, MI	126	04/01/13	03/01/17	MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Delaware Acres	Fremont, OH	68	04/23/19		Conventional HUD Sec 8			
Devon Square	Detroit, MI	60	08/01/09		Conventional HUD Section 8			
Devonshire	Toledo	87	05/16/16	10/31/18	Conventional			
DM33 Apartments	Louisville, KY	33	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Dover Court	Mt Pleasant, MI	65	01/01/21		Conventional Tax Credit	LIHTC	NO	YES
Dunbar Court	Indianapolis, IN	30	07/28/10	02/16/11	Conventional			
Duvernay Park	Idlewild, MI	24	12/19/02		MSHDA Tax Credit	LIHTC	NO	YES
Eagles Trace	Dowagiac, MI	40	09/22/06	07/31/13	Conventional			
Eagles Wood (Family)	Dowagiac, MI	37	08/20/04	07/31/13	Conventional Tax Credit Supportive Hsg	LIHTC	NO	NO
Eagles Wood (Senior)	Dowagiac, MI	12	08/20/04	07/31/13	Conventional Tax Credit	LIHTC	NO	NO
Eastgate Apartments	Kankakee, IL	52	08/01/07	03/25/15	IHDA Tax Credit	LIHTC	NO	NO
Eastside Detroit Elderly	Detroit, MI	54	10/01/07	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Eastside Detroit Elderly	Detroit, MI	54	02/28/13	07/13/15	Conventional Tax Credit	LIHTC	NO	NO

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Eastside Detroit Homes	Detroit, MI	60	10/01/07	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Eastside Detroit Homes	Detroit, MI	60	03/11/13		Conventional Tax Credit	LIHTC	NO	YES
East Side Manor	Sandusky, MI	51	04/01/12		MSHDA HUD Section 8			
Edgemont	Portland, MI	24	01/01/08	10/30/14	RD 515			
Edgeview	Newaygo, MI	36	01/01/08	12/17/19	RD 515			
Edgeview Village Apartments	Newaygo, MI	36	12/17/19		Conventional HUD Section 8			
Edgewood Village	East Lansing, MI	135	11/01/99	07/30/19	Conventional HUD Section 8			
Edgewood Village	East Lansing, MI	135	07/30/19		Conventional HUD Section 8			
Edgewood Villas	Lansing, MI	150	04/25/11	06/30/14	Conventional Tax Credit	LIHTC	NO	NO
Elaine Apartments	Jackson, MI	33	07/01/09	07/31/15	Conventional HUD Section 8			
Elgin Tower	Elgin, IL	44	12/29/20		Conventional			
Emerald Creek	Grand Rapids, MI	65	01/01/05	07/31/10	MSHDA Tax Credit	LIHTC	NO	NO
Emerald Creek II	Grand Rapids, MI	30	01/01/05	07/31/10	MSHDA Tax Credit	LIHTC	NO	NO
Emerald Forest	Marlette, MI	48	05/29/96		RD 515 R/A Tax Credit	LIHTC	NO	YES
Emerald Park	Plainwell, MI	48	10/22/04	03/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Emerald Park Senior	Plainwell, MI	49	07/23/04	03/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Emerald Pointe Townhomes	Muskegon, MI	36	08/19/19		Conventional Tax Credit	LIHTC	NO	YES
Emerald Springs	Detroit, MI	158	07/01/11	01/02/13	MSHDA Tax Credit	LIHTC	NO	NO

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Emerald Woods	Plainwell, MI	65	12/01/06	03/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Emerald Woods Senior	Plainwell, MI	36	04/26/07	03/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Emerson Manor	Lake Odessa, MI	24	01/01/92		RD 515			
Emery Pines	Prudenville, MI	20	01/01/08	04/12/10	Conventional Tax Credit	LIHTC	NO	NO
Empire Townhomes	Empire, MI	18	01/01/92	09/01/07	RD 515 R/A			
Empire Townhouses	Empire, MI	18	01/01/17		RD			
Encore at Ashby Preserve	Harrison Township, MI	75	09/01/16	01/05/21	Conventional			
Encore at Ashby Preserve	Harrison Township, MI	75	01/05/21		Conventional			
Encore Townhomes	Utica, MI	80	02/01/16		Conventional			
Englewood Senior	Toledo, OH	38	11/01/16	04/01/20	Conventional Tax Credit	LIHTC	NO	NO
Erwin Senior Estates	Saginaw, MI	46	06/22/06	01/03/12	MSHDA Tax Credit	LIHTC	NO	NO
Evergreen Estates	Detroit, MI	305	04/02/07	12/06/11	MSHDA Tax Credit	LIHTC	NO	NO
Fairborn Apartments	Fairborn, OH	177	12/11/19	07/31/20	Conventional HUD Section 8			
Fairfax Apartments	Lansing, MI	156	01/01/92		Conventional			
Ferris 01-2	Lansing, MI	11	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO
Ferris 01-3	Lansing, MI	9	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO
Ferris 01-4	Lansing, MI	11	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO
Ferris 01-5	Lansing, MI	11	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO

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Ferris Manor	Lansing, MI	22	01/01/12	06/01/20	Conventional Tax Credit	LIHTC	NO	YES
Finley Place	Lombard, IL	40	01/01/08	12/13/19	IHDA HUD Section 8	LIHTC	NO	NO
Fire Station	Benton Harbor, MI	6	09/01/12		Conventional Supportive Hsg.			
Flushing Valley Apartments	Flushing, MI	121	12/16/17		Conventional			
Forest Hills Apartments	Battle Creek, MI	136	12/16/17	11/06/20	Conventional			
Four Flags Plaza Apartments	Niles, MI	88	11/09/18		Conventional Tax Credit HUD Sec 8	LIHTC	NO	YES
Foxcroft Apartments	Wyoming, MI	96	03/01/06	12/31/12	Conventional			
Fraser Woods	Fraser, MI	241	01/01/00		MSHDA Section 8			
Fremont Townhouses	Fremont, MI	12	10/01/05		Conventional Tax Credit	LIHTC	NO	YES
Gaines NPHC	Gaines, MI	4	03/01/17		Tax Credit	LIHTC	NO	YES
Galatea Apartments	Louisville, KY	34	02/01/18	10/30/18	Conventional Tax Credit	LIHTC	NO	NO
Garfield Manor	Bay City, MI	26	06/07/12		Conventional Tax Credit	LIHTC	NO	YES
Gateway Village	Frankfort, MI	36	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Gateway Senior Apartments	Fremont, MI	38	06/01/14		Conventional Tax Credit	LIHTC	NO	YES
Gateway Village Apartments	Sturgis, MI	100	05/01/18		Conventional Section 8 Tax Credit	LIHTC	NO	YES
Glendale Apartments	Scottville, MI	28	01/31/08		RD 515 Tax Credit	LIHTC	NO	YES
Glenwood	Fowlerville, MI	24	01/01/00	10/30/14	RD 515			

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Golden Bridge Manor	Portland, MI	22	06/01/07	10/31/20	MSHDA Tax Credit	LIHTC	NO	YES
Golden Eagle Estates	Benton Harbor, MI	12	01/01/12		Conventional Tax Credit	LIHTC	NO	YES
Golden Crest	Port Huron, MI	100	02/11/99	10/24/11	Conventional Tax Credit	LIHTC	NO	NO
Grand Fork Commons	Beaverton, MI	24	01/01/08	04/26/12	RD 515 Tax Credit	LIHTC	NO	NO
Grand Meadows II	Grand Blanc, MI	64	01/01/08	06/30/08	MSHDA Tax Credit	LIHTC	NO	NO
Grand River Shores	Various Locations, MI	33	12/01/18	01/01/20	MSHDA PBV			
Gray Street I	Detroit, MI	10	08/01/13	02/28/17	Conventional Tax Credit	LIHTC	NO	NO
Gray Street II	Detroit, MI	24	08/01/13	02/28/17	MSHDA Tax Credit	LIHTC	NO	NO
Great Lake Tower – HOA	Detroit, MI	170	01/01/15	10/01/17	Conventional			
Greenbriar Apartments	Greenville, MI	40	03/01/17		Section 8			
Greenhouse Apartments	Detroit, MI	208	03/18/13		HUD Tax Credit HUD Section 8	LIHTC	NO	YES
Green Meadows	Springport, MI	24	06/05/13		RD Tax Credit	LIHTC	NO	YES
Green Park Townhomes	Mason, MI	32	10/01/05		MSHDA Tax Credit	LIHTC	NO	YES
Greenwood Villa	Westland, MI	298	01/01/00		MSHDA HUD Section 8			
Greyhound Drive	Eaton Rapids, MI	3	12/01/09	03/31/13	Conventional			
Harbor Bluffs	Benton Harbor, MI	52	07/13/09	02/28/17	Conventional Tax Credit PBV	LIHTC	NO	NO
Harbor Lake	Cheboygan, MI	32	01/01/08	07/21/08	RD 515			

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Harbour Oaks	East China, MI	32	01/01/08	10/30/14	RD 515			
Harbour Pointe	Montague, MI	34	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Hastings Ponds Family	Mackinaw City, MI	32	01/01/08		MSHDA Tax Credit	LIHTC	NO	YES
Hastings Ponds Senior	Hastings, MI	38	06/20/05		MSHDA Tax Credit	LIHTC	NO	YES
Hawks Ridge	Bath, MI	136	02/01/09	09/30/10	MSHDA Tax Credit	LIHTC	NO	NO
Hay Creek	Menominee, MI	80	08/01/17		Conventional HUD			
Hayward Wells	Benton Harbor, MI	81	01/01/12		MSHDA Tax Credit	LIHTC	NO	YES
Headwaters Apartments	Traverse City, MI	24	12/04/19		Conventional			
Helisa Square	Detroit, MI	12	11/01/16		Conventional Tax Credit	LIHTC	NO	YES
Heritage Place @ Ridge Valley	Milford, MI	131	01/01/06	04/30/12	MSHDA Tax Credit	LIHTC	NO	NO
Heritage Village II	Frankenmuth, MI	48	09/01/94		RD 515 R/A Tax Credit	LIHTC	NO	YES
Hiawatha Apartments	Iron River, MI	32	01/16/15	10/31/17	RD Tax Credit	LIHTC	NO	NO
Hidden Brook Manor	Alpena, MI	32	08/01/19		RD			
Hidden Creek	Grand Rapids, MI	152	01/01/92		MSHDA 80/20			
Hidden Pines	Greenville, MI	40	01/01/92		RD 515 HUD Section 8			
Hillcrest Terrace	Manton, MI	32	01/01/08		RD 515			
Hill House Apartments	Battle Creek, MI	8	03/01/17		Section 8			
Hillside Apartments	Iron River, MI	16	01/01/08	02/29/12	RD 515			

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Hillview Townhouses & Apartments	Rockford, MI	136	03/01/17		Section 8			
Holly Condos	Holly, MI	2	03/01/17		Tax Credit	LIHTC	NO	YES
Homestead	West Baden Springs, IL	25	04/25/11	06/07/13	Conventional Tax Credit	LIHTC	NO	NO
Hope Park Homes	Detroit, MI	45	04/10/06		Conventional Tax Credit Supportive Hsg.	LIHTC	NO	YES
Horizon Apartments	Mio, MI	24	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Horizon Pointe	Manistee, MI	49	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Horsell Manor	Vanderbilt, MI	20	01/01/08		RD 515			
Houghton Heights Manor	Houghton Lake, MI	48	06/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Huntley Villas	Holt, MI	160	02/01/18	07/31/19	HUD Tax Credit	LIHTC	NO	YES
Icon on Bond	Grand Rapids, MI	114	06/01/18	02/14/20	Conventional			
Idlewild Gardens	Idlewild, MI	23	01/23/92		RD 515 HUD Section 8			
Indian Oaks	Tecumseh, MI	32	01/01/08	10/30/14	RD 515			
Island Apartments	Kalkaska, MI	7	10/01/11	10/10/14	Conventional			
Island City	Eaton Rapids, MI	48	11/09/05	03/31/13	MSHDA Tax Credit	LIHTC	NO	NO
Ithaca I	Ithaca, MI	28	02/10/94		RD 515 R/A Tax Credit	LIHTC	NO	YES
Ivan Woods	Lansing, MI	90	12/01/03	06/26/15	Conventional Tax Credit	LIHTC	NO	NO
James Marie Court	Fostoria, OH	44	08/01/17	10/31/19	Conventional			

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Jefferson Street Square	Lansing, MI	62	03/20/02		MSHDA Tax Credit Supportive Hsg	LIHTC	NO	YES
Jericho House	Munising, MI	15	01/01/08		HUD Section 8			
Joan Manley Wolfe	Saginaw, MI	16	01/01/08		HUD Section 8			
Kalamazoo Village	Kalamazoo, MI	12	11/05/04	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Kalamazoo Village South	Kalamazoo, MI	12	06/01/05	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Karley Square	Detroit, MI	30	11/01/16		Conventional Tax Credit	LIHTC	NO	YES
Kenwood V	Indianapolis, IN	19	04/25/11	04/30/13	Conventional Tax Credit	LIHTC	NO	NO
Keystone Village	Traverse City, MI	24	09/01/09		MSHDA Tax Credit PBV	LIHTC	NO	YES
Kings Community Homes	Jackson, MI	81	11/01/87	12/31/10	MSHDA HUD Section 8			
Kingston Place	Eaton Rapids, MI	40	12/12/07	07/31/12	MSHDA Tax Credit	LIHTC	NO	YES
Kiwanis Village	Mason, MI	80	09/23/97		RD 515			
KNHS Homes	Kalamazoo, MI	4	07/01/09	06/30/13	Conventional			
Lake City Apartments	Lake City, MI	18	01/01/92	09/01/07	RD 515 R/A			
Lake City Apartments	Lake City, MI	18	01/01/17		RD			
Lake Forest I	Grand Rapids, MI	84	11/04/13	10/25/16	Conventional			
Lake Forest II	Grand Rapids, MI	115	11/04/13	10/25/16	Conventional			
Lake Manor	Lake Odessa, MI	56	01/01/92	01/22/20	Conventional HUD Section 8			

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Lake Pointe	Hart, MI	36	09/01/13		Conventional Tax Credit	LIHTC	NO	YES
Lakeview Meadows I	Battle Creek, MI	53	01/01/08	11/30/09	MSHDA Tax Credit	LIHTC	NO	NO
Lakeview Meadows II	Battle Creek, MI	60	01/01/08	11/30/09	MSHDA Tax Credit	LIHTC	NO	NO
Lakewood Manor	Detroit, MI	30	06/01/06	05/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Lakeshore Heights	Ishpeming, MI	24	09/27/10		RD Tax Credit PBV	LIHTC	NO	YES
Lakewood – Saranac	Saranac, MI	24	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
LaVogue Square	Detroit, MI	41	01/01/13	06/01/16	MSHDA Tax Credit PBV	LIHTC	NO	NO
Lawndale	Ludington, MI	24	04/15/93		HUD 202			
Lawton Apartments	Detroit, MI	38	11/25/20		Conventional			
Lawrence Park	Centerline, MI	252	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Le Grande Vue	Traverse City, MI	72	04/28/08	09/28/09	Conventional			
Leonard East	Grand Rapids, MI	72	07/01/17	12/31/18	Conventional			
Leonard Pines Apartments	Grand Rapids, MI	24	03/01/17		Section 8			
Lexington Square Village	Fennville, MI	49	06/09/06	08/31/12	MSHDA Tax Credit	LIHTC	NO	NO
Lexington Village	Detroit, MI	351	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Liberty Square	Linwood, MI	16	01/01/08	02/29/12	RD 515			

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Lincolnshire	Canton, MI	147	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Lincoln Park Lofts	Lincoln Park, MI	38	09/13/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Linden Apartments	Carson City, MI	24	06/01/99		RD 515/RA Tax Credit	LIHTC	NO	YES
Little Village	Gaylord, MI	32	05/01/99		RD 515/RA			
Lions Gate	Davison, MI	192	12/01/11	04/09/12	Conventional			
Lloyd Bayou II North	Spring Lake, MI	10	08/01/17		Conventional			
Lloyd Bayou II South	Spring Lake, MI	10	08/01/17		Conventional Tax Credit	LIHTC	NO	YES
Lloyd House	Menominee, MI	44	01/01/14	10/31/17	Conventional Tax Credit	LIHTC	NO	YES
Lloyd House II	Menominee, MI	14	07/01/17	10/31/17	Conventional Tax Credit	LIHTC	NO	YES
Lofts at 820 Monroe	Grand Rapids, MI	87	08/01/17		Conventional			
Lofts at the Kendall	Grand Rapids, MI	12	08/01/17		Conventional			
Lofts on Alabama	Grand Rapids, MI	100	08/01/17		Conventional			
Lofts on Ionia	Grand Rapids, MI	23	08/01/17		Conventional			
Lofts on Michigan	Grand Rapids, MI	54	08/01/17		Conventional			
Lofts on Pearl	Grand Rapids, MI	14	08/01/17	07/01/19	Conventional			
Lofts on Prospect	Grand Rapids, MI	22	08/01/17	07/01/19	Conventional			

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London Moore	Lincoln Park, MI	35	03/19/10	02/28/17	Conventional			
Loper Court	Neenah, WI	6	07/16/10	09/09/11	Conventional			
Lost Creek	Marquette, MI	151	10/01/14		MSHDA Tax Credit	LIHTC	NO	YES
Lotus Townhomes I	Kalamazoo, MI	6	02/01/10		Conventional Tax Credit	LIHTC	NO	YES
Lotus Townhomes II	Kalamazoo, MI	12	02/01/10		Conventional			
Lotus Townhomes III & IV	Kalamazoo, MI	32	11/19/13		Conventional			
Lotus Townhomes III	Kalamazoo, MI	16	02/01/10	11/19/13	Conventional			
Lotus Townhomes IV	Kalamazoo, MI	16	02/01/10	11/19/13	Conventional			
Lotus Plaza	Kalamazoo, MI		02/01/10		Commercial			
Louisville Historic Rising	Louisville, KY	40	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
MA Houston Tower	Muskegon Heights, MI	52	08/01/08	10/24/19	MSHDA Tax Credit	LIHTC	NO	NO
Madison Hall Townhomes	Grand Rapids, MI	12	01/01/12		Conventional Tax Credit	LIHTC	NO	YES
Madison Square	Grand Rapids, MI	60	07/01/13	10/30/14	MSHDA Section 8			
Madonna Homes	Toledo, OH	171	04/23/19		Conventional HUD Sec 8 Tax Credit	LIHTC	NO	YES
Mainville Apartments	Stanton, MI	24	01/01/92	12/31/07	RD 515 R/A			
Manchester	Manchester, MI	32	01/01/00	03/15/16	RD			
Maple Grove	Prudenville, MI	24	01/01/08	02/29/12	RD 515			
Maple Lane	Fennville, MI	8	11/18/99		RD 515 Tax Credit	LIHTC	NO	YES

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Maple Ridge	Jackson, MI	69	01/01/21		Conventional Tax Credit	LIHTC	NO	YES
Maple Ridge West	Jackson, MI	54	01/01/21		MSHDA Tax Credit	LIHTC	NO	YES
Maple Village I	Petoskey, MI	48	01/01/06		Conventional Tax Credit	LIHTC	NO	YES
Maple Village II	Petoskey, MI	49	01/01/06		MSHDA Tax Credit	LIHTC	NO	YES
Maplewood Apartments	Bruce Crossing, MI	12	02/19/16	01/01/20	RD			
Maplewood Manor	Mio, MI	20	08/01/19		RD			
Marian Village	Shelbyville, KY	32	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Mariposa Oaks	Mariposa, MI	24	01/01/00		RD 515			
Marsh Point	Haslett, MI	108	02/01/12		MSHDA Tax Credit	LIHTC	NO	YES
Martin Apartments	Kenosha, WI	20	03/17/10	09/13/11	Conventional			
Marwood Apartments	Detroit, MI	53	09/01/17		Conventional			
Mayberry	Cadillac, MI	16	01/01/08	09/27/17	HUD Section 8			
McGraw West Grand	Detroit, MI	10	05/21/07	05/20/08	Conventional Tax Credit	LIHTC	NO	NO
Meadow Glen	Fowlerville, MI	32	01/01/08	04/01/11	RD 515 Tax Credit	LIHTC	NO	NO
Meadow Hills	Fremont, MI	48	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Meadow Lawn	Manito, IL	17	08/01/07	04/30/09	IHDA Tax Credit	LIHTC	NO	NO
Meadow Park	Big Rapids, MI	24	01/01/08	02/29/12	RD 515			
Meadow Park	Big Rapids, MI	24	03/20/14		RD 515			

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Meadow Ridge	Marlette, MI	24	01/01/08	03/31/16	RD 515 Tax Credit	LIHTC	NO	NO
Meadowbrook Commons	Novi, MI	175	07/01/05		Conventional			
Meadowcrest Senior Apartments	Southfield, MI	83	05/01/10		MSHDA Tax Credit	LIHTC	NO	YES
Meadowrun	Mancelona, MI	16	12/01/09		RD 515			
Meadow View Senior Apartments	Coldwater, MI	16	02/01/18		RD Tax Credit	LIHTC	NO	YES
Meadows (Freeland)	Freeland, MI	48	11/17/99		RD 515 Tax Credit	LIHTC	NO	YES
Meadowview	Mahomet, IL	40	04/25/11	06/07/13	Conventional Tax Credit	LIHTC	NO	NO
Mechanic Lofts	Jackson, MI	18	12/19/06	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Melrose Square	Detroit, MI	24	02/01/07	06/01/16	Conventional Tax Credit	LIHTC	NO	NO
Melrose Village	Findlay, OH	106	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Meredith Manor	East Jordan, MI	10	07/15/15		HUD			
Metea Court Apartments	Buchanan, MI	100	05/01/18		Conventional Tax Credit PBV	LIHTC	NO	YES
Metropolitan Apartments	Grand Rapids, MI	18	03/01/17		HUD			
Metropolitan Park	Grand Rapids, MI	24	03/01/07	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Metro Place Apartments	Lansing, MI	145	06/29/20		Conventional			
Metro West	Columbus, OH	416	07/01/12	01/14/13	Conventional			
Miami Hills	South Bend, IN	151	06/22/15	02/28/17	Conventional Section 8			

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Michaelmas Manor	Toledo, OH	94	04/23/19		Conventional HUD Sec 8 Tax Credit	LIHTC	NO	YES
Midtown Place	Detroit, MI	120	03/06/09		Conventional Tax Credit	LIHTC	NO	YES
Midtown Square	Detroit, MI	73	11/01/16		Conventional Tax Credit	LIHTC	NO	YES
Milham Parkside Apartments	Kalamazoo, MI	20	03/01/17		Section 8			
Mill Creek	Standish, MI	24	01/01/08	02/29/12	RD 515			
Mill Pond Manor	Brighton, MI	58	06/01/11	12/31/12	Conventional Section 8			
Mill Race Manor	Centreville, MI	24	01/01/08	09/29/16	RD 515 Tax Credit	LIHTC	NO	NO
Mill Race Apartments	Plainwell, MI	32	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Moody Manor	Toledo, OH	119	04/23/19		Conventional HUD Sec 8 Tax Credit	LIHTC	NO	YES
Morningside Commons	Detroit, MI	64	01/01/09	05/01/11	Conventional Tax Credit	LIHTC	NO	NO
Mt. Vernon Apartments	Detroit, MI	46	03/06/09		Conventional Tax Credit	LIHTC	NO	YES
Mystic Grove	Colon, MI	24	01/01/08	10/30/14	RD 515 Tax Credit	LIHTC	NO	NO
Nelson Place	Muskegon, MI	101	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Newberry Lofts	Wayne, MI	12	01/01/13		Conventional Tax Credit	LIHTC	NO	YES
Newberry Square	Wayne, MI	64	01/01/13	05/01/16	Conventional Tax Credit	LIHTC	NO	NO
New Center Commons	Detroit, MI	71	09/15/08		MSHDA			
New Center Pavilion	Detroit, MI	76	12/1/17		HUD Tax Credit	LIHTC	NO	YES

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New Center Square	Detroit, MI	49	01/01/13		Conventional Tax Credit PBV	LIHTC	NO	YES
New Maine Apartments	Quincy, IL	36	08/01/07	12/05/13	IHDA Tax Credit	LIHTC	NO	NO
Newport Woods Apartments	Newport, MI	144	12/16/17		Conventional			
Nisbett Fairman	Big Rapids, MI	47	02/01/13		MSHDA Tax Credit	LIHTC	NO	YES
North End Village	Detroit, MI	50	04/25/11	10/02/19	Conventional Tax Credit	LIHTC	NO	NO
North Prairie Manor	Plainwell, MI	28	01/01/08	04/01/11	RD 515 Tax Credit	LIHTC	NO	NO
North Walnut 02-1	Lansing, MI	8	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO
Northern Park Apartments	Cadillac, MI	64	12/08/08		RD 515 Tax Credit	LIHTC	NO	YES
Northland Meadow	Cadillac, MI	80	08/01/11		MSHDA Tax Credit	LIHTC	NO	YES
Northwest Unity Homes	Detroit, MI	45	10/01/07	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Northwind Forest Apartments	Midland, MI	181	07/21/17		Conventional HUD			
Oak Hills	Ionia, MI	24	01/01/08		RD 515			
Oak Leaf Manor	Lewiston, MI	27	08/01/19		RD			
Oaks of Adrian	Adrian, MI	12	06/01/08		Conventional Tax Credit	LIHTC	NO	YES
Oaks of Ann Arbor	Ann Arbor, MI	12	06/01/08	12/31/17	Conventional Tax Credit	LIHTC	NO	NO
Oaks of Golden Pond	Ypsilanti, MI	12	06/01/08	12/31/18	Conventional Tax Credit	LIHTC	NO	YES
Oaks of Sable Pointe	Adrian, MI	12	06/01/08		Conventional Tax Credit	LIHTC	NO	YES
Oaks of Ypsilanti	Ypsilanti, MI	12	06/01/08	12/31/18	Conventional Tax Credit	LIHTC	NO	NO

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Oakwood Apartments	Milford, OH	65	12/11/19		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Oakwood Manor	Baldwin, MI	32	09/01/91	12/31/07	RD 515			
Olde Mill Heights	Saugatuck, MI	24	01/01/08	04/27/12	RD 515			
Oracle 50	Louisville, KY	50	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Oracle 64	Louisville, KY	64	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Orchard Place	Grand Rapids, MI	138	10/01/07	10/12/11	Conventional			
Orchard Ridge	Flint, MI	248	06/01/09	09/30/09	Conventional			
Orchard View Manor	Gobles, MI	24	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Otsego Apartments	Otsego, MI	25	02/28/94		RD 515 R/A Tax Credit	LIHTC	NO	YES
Ottawa Place Senior	Ottawa, IL	43	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Oxford Square	Oxford, MI	10	01/01/08	04/01/20	RD 515			
P&K Holdings	Mt. Pleasant, MI	16	06/01/15		Conventional			
Pablo Davis	Detroit, MI	80	11/01/11	01/31/14	Conventional Tax Credit	LIHTC	NO	NO
Palmer Gardens	Toledo, OH	75	07/01/09		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Palmer Park Square	Detroit, MI	202	01/01/13	06/01/16	Conventional Tax Credit PBV	LIHTC	NO	NO
Park Colony	Ithaca, MI	24	01/01/00	10/30/14	RD			
Park Meadow	Gaylord, MI	80	10/01/10	02/29/12	Conventional Tax Credit	LIHTC	NO	NO

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Park Terrace I	Williamston, MI	48	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Park Place City Center	Sault Ste. Marie, MI	24	12/01/10		MSHDA Tax Credit PBV	LIHTC	NO	YES
Park Terrace	Toledo, OH	208	10/08/10	01/28/13	Conventional			
Parkside Apartments	Coleman, MI	40	07/05/02		RD 515 R/A Tax Credit	LIHTC	NO	YES
Parkview Apartments	Detroit, MI	15	07/01/05	07/01/07	MSHDA Tax Credit	LIHTC	NO	NO
Parkview Tower	Chicago, IL	102	03/01/13		Conventional HUD Section 8			
Parkway Meadows	Ann Arbor, MI	351	01/01/00		MSHDA HUD Section 8			
Parkridge	Ypsilanti, MI	80	03/25/15		Conventional RAD			
Pendleton III Apartments	Cincinnati, OH	78	12/11/19	05/08/20	Conventional HUD Section 8			
Penn Avenue Apartments	Lansing, MI	20	03/01/08	01/01/15	Conventional Tax Credit	LIHTC	NO	NO
Penrose Village II	Detroit, MI	36	03/01/13		Conventional Tax Credit	LIHTC	NO	YES
Perry Square	Pontiac, MI	24	01/01/13	05/01/16	Conventional			
Perry Place	Melvindale, MI	72	01/01/13	03/18/15	Conventional Tax Credit	LIHTC	NO	NO
Peterson Apartments	Jackson, MI	30	11/01/09		Conventional HUD Section 8			
Phoenix Place	Pontiac, MI	201	03/18/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	NO
Pine Cove	Charlevoix, MI	54	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Pine Knoll	Greenville, MI	32	01/01/08	03/15/16	RD 515			

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Pinebrook	Alpena, MI	32	01/01/92	04/15/15	RD 515			
Pine Park Apartments	Ewen, MI	12	05/01/17		HUD/RD			
Pinecrest Manor	Alpena, MI	44	08/01/19		RD			
Pinestead Place	Breckenridge, MI	32	01/01/92		Conventional HUD Section 8 Subsidy			
Pine Ridge Apartments	Grand Rapids, MI	168	07/25/17		Conventional HUD			
Pinigree Park Homes	Detroit, MI	50	10/01/07	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Pinigree Park Homes	Detroit, MI	50	03/11/13	01/01/18	Conventional Tax Credit	LIHTC	NO	YES
Piqua Village	Piqua, OH	65	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Phelps Square	Ishpeming, MI	24	07/01/15		MSHDA Tax Credit PBV	LIHTC	NO	YES
Phillip C. Sims Senior Apartments	Detroit, MI	122	08/09/19	01/13/20	Conventional HUD Sec 8			
Pleasant View	Bergland, MI	12	02/19/16	01/01/20	RD			
Pointe O Woods Apartments	Grand Rapids, MI	121	12/16/17		Conventional			
Pond Street Village	Mackinaw City, MI	32	01/01/08		MSHDA Tax Credit PBV	LIHTC	NO	YES
Primrose Apartments	Neenah, WI	72	01/01/18		HUD Section 8 Tax Credit	LIHTC	NO	YES
Prometheus	Louisville, KY	47	02/01/18	10/30/18	Conventional Tax Credit	LIHTC	NO	NO
Propylon Apartments	Marquette, MI	16	11/01/16		HUD Section 8			

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Providence Place	Detroit, MI	50	06/15/08	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
Raupp Street	Melvindale, MI	24	08/01/11		Conventional Tax Credit PBV	LIHTC	NO	YES
Rietz Park	Manistee, MI	48	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Reflections	Jackson, MI	68	01/01/03		MSHDA Tax Credit	LIHTC	NO	YES
Regency Townhomes	Lansing, MI	56	09/20/10		Conventional		NO	YES
Regina Manor Apartments	Toledo, OH	180	04/23/19		Conventional HUD Sec 8 Tax Credit	LIHTC	NO	YES
Renaissance Estates of Ecorse I	Ecorse, MI	74	09/01/17		MSHDA HUD/RAD Tax Credit	LIHTC	NO	YES
Renaissance Place	Muskegon, MI	24	10/01/07	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Renaissance Village	Detroit, MI	185	12/06/11		MSHDA Tax Credit	LIHTC	NO	YES
Residence at Westbrook	Battle Creek, MI	48	07/01/13		Conventional Tax Credit	LIHTC	NO	YES
Richter Place	Rockford, MI	62	03/01/17		Section 8			
Ridge Valley Townhomes	Milford, MI	40	03/27/13		Conventional			
Ridgewood Court	Marietta, OH	110	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Rivers Bluff	Mt. Pleasant, MI	11	06/01/15		Conventional Tax Credit	LIHTC	NO	YES
River Country Apartments	Three Rivers, MI	18	03/01/17		Section 8			
Rivers Edge	Greenville, MI	49	04/15/13		Conventional HUD Section 8			

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Riverview Apartments	Blissfield, MI	32	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Riverview Apartments	Wakefield, MI	32	06/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Riverwalk Apartments	Grand Ledge, MI	50	10/01/07	02/15/19	Conventional			
Riverwalk Apartments	Lowell, MI	48	06/01/08		RD 515 Tax Credit	LIHTC	NO	YES
River Walk Apartments	Grand Ledge, MI	8	01/01/11	12/31/11	Conventional			
Roanoke Apartments	Detroit, MI	110	05/01/09	11/09/09	Conventional			
Roeland Avenue	Appleton, WI	7	07/13/10	09/09/11	Conventional			
Rolling Brook I	Algonac, MI	24	01/01/08	06/01/11	RD 515			
Rolling Brook II	Algonac, MI	24	01/01/08	06/01/11	RD 515			
Rolling Brook III	Algonac, MI	26	01/01/08	06/01/11	RD 515 Tax Credit	LIHTC	NO	NO
Rollingwood Manor	Flint, MI	136	03/01/18		Conventional HUD Sec 8			
Roosevelt Hill	Kalamazoo, MI	30	07/01/09		MSHDA Tax Credit	LIHTC	NO	YES
Rosewood	Shelby, MI	24	01/01/08	10/30/14	RD 515			
Rouge Woods	Detroit, MI	23	08/18/09		Conventional Tax Credit	LIHTC	NO	YES
Sacramento Avenue	Chicago, IL	6	06/24/10	06/15/11	Conventional			
Saks Park Homes	Detroit, MI	45	05/01/08	08/31/09	Conventional Tax Credit	LIHTC	NO	NO
Salt River Village I	Shepherd, MI	24	01/01/01	12/31/08	RD 515			
Salt River Village II	Shepherd, MI	24	01/01/01		RD 515/RA Tax Credit	LIHTC	NO	YES

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Sandstone	Elsie, MI	8	06/01/00		RD 515/RA Tax Credit	LIHTC	NO	YES
Saratoga Homes	Detroit, MI	49	11/01/07	12/31/10	Conventional Tax Credit	LIHTC	NO	NO
Savannah Trace	Kalamazoo, MI	80	02/01/04		Conventional Tax Credit	LIHTC	NO	YES
Sawmill Family Estates	Wayland, MI	48	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Sawmill Senior Estates	Wayland, MI	34	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Scott Building	Hancock, MI	28	10/31/06		MSHDA Tax Credit PBV	LIHTC	NO	YES
Sebawaing Terrace	Sebawaing, MI	24	01/01/08	10/30/14	RD 515			
Senior Haven	Kalkaska, MI	42	01/19/90		RD 515 HUD Section 8			
Setters Pointe I	Coopersville, MI	48	01/01/13		MSHDA LIHTC	LIHTC	NO	YES
Setters Pointe II	Coopersville, MI	48	01/01/13		MSHDA LIHTC	LIHTC	NO	YES
Shaw Lane	Howard City, MI	24	01/01/08	10/30/14	RD 515			
Shelborne Park I	Battle Creek, MI	49	01/01/13	03/15/14	Conventional			
Shelbyville Apartments	Shelbyville, MI	35	01/01/17		Conventional Tax Credit	LIHTC	NO	YES
Silver Creek	Ripon, WI	24	11/01/14		RD			
Silver Stone Townhomes	Lansing, MI	105	03/01/06	10/22/14	MSHDA Tax Credit	LIHTC	NO	NO
Sky Harbor	Romulus, MI	352	10/01/01	01/18/08	Conventional			
Skyview Tower	Detroit, MI	320	08/01/12	01/14/13	Conventional			
South Albany Street	Chicago, IL	6	02/06/12	06/06/12	Conventional			

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South Fork	Ewen, MI	8	02/16/16	01/01/20	RD			
South Saginaw Homes	Saginaw, MI	49	03/14/11	09/26/12	Conventional Tax Credit	LIHTC	NO	NO
Southbrook Villa	Lansing, MI	129	09/04/02		Conventional			
Southfield Condos	Southfield, MI	2	03/01/17	03/31/20	Tax Credit	LIHTC	NO	NO
Southtown Square	Grand Rapids, MI	44	11/01/13	12/31/14	Conventional Tax Credit	LIHTC	NO	NO
Southview Apartments	Grand Rapids, MI	75	11/01/17	12/31/18	Conventional			
Spring Grove	Chicago, IL	101	03/01/13		Conventional HUD Section 8			
Spring Manor	Portage, MI	107	04/01/13		MSHDA Tax Credit HUD Section 8	LIHTC	NO	YES
Springwells Village	Detroit, MI	24	11/01/11	01/31/14	Conventional Tax Credit	LIHTC	NO	NO
Springview Tower	Battle Creek, MI	175	01/01/16		Conventional HUD Tax Credit	LIHTC	NO	YES
St. Aubin Square	Detroit, MI	49	01/01/13	09/30/16	MSHDA Tax Credit PBV	LIHTC	NO	NO
St. Hedwig	Toledo, OH	38	12/01/19	04/01/20	Conventional Tax Credit PBV	LIHTC	NO	NO
St. Ignace Senior Housing	St. Ignace, MI	24	03/13/06		Conventional Tax Credit	LIHTC	NO	YES
St. Johns Homes	Detroit, MI	45	01/01/08	04/30/09	Conventional Tax Credit	LIHTC	NO	NO
St. Johns Homes	Detroit, MI	45	02/04/13	07/13/15	Conventional Tax Credit	LIHTC	NO	NO
Sterling Crest	Saginaw, MI	144	02/11/99	10/27/20	Conventional Tax Credit	LIHTC	NO	NO

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Sterling Hill Apartments	Shelby Township, MI	38	04/24/18	03/18/19	Conventional			
Stonebridge	Allendale, MI	52	01/01/08	04/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Stonebrook I	Grand Rapids, MI	82	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Stonebrook II	Grand Rapids, MI	68	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Stonebrook III	Grand Rapids, MI	64	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Strawberry Lake	Norway, MI	32	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Streetsboro Family Homes	Streetsboro, OH	48	11/01/16	02/01/20	Conventional Tax Credit	LIHTC	NO	YES
Stone Manor	Mio, MI	20	08/01/19		RD			
Strong Future	Ypsilanti, MI	112	04/01/15		HUD Tax Credit	LIHTC	NO	YES
Summer Haven	Kentwood, MI	101	12/18/12		MSHDA Tax Credit	LIHTC	NO	YES
Summerview	Pentwater, MI	16	01/01/08	10/30/14	RD 515			
Summit Square	Muskegon, MI	52	10/24/19		MSHDA Tax Credit	LIHTC	NO	YES
Summit Square Apartments	Dayton, OH	154	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Sunrise Village	Sandusky, MI	48	08/01/12		MSHDA Tax Credit	LIHTC	No	YES
Sunshine Canyon	Stanton, MI	24	01/01/92		RD 515 HUD Section 8			
Synergy	Grand Rapids, MI	35	03/01/17		HOME			
The Cottages at Bayberry Farms	Wyoming, MI	16	01/01/21		Conventional			
The Depot	Coopersville, MI	51	01/01/21		MSHDA Tax Credit	LIHTC	NO	YES

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The Fountains	Grand Rapids, MI	168	07/27/17		Conventional HUD			
The Grandview Marquette	Marquette, MI	56	09/01/17		Conventional Tax Credit	LIHTC	NO	YES
The Meadows Apartments	Battle Creek, MI	10	03/01/17		Section 8			
The Oaks	Baldwin, MI	4	01/01/20		MSHDA			
The Pines	White Cloud, MI	4	01/01/20		MSHDA			
The Trails at West Branch	West Branch, MI	60	06/01/08		Conventional Tax Credit	LIHTC	NO	YES
The Trails of East Loveland Station	Loveland, OH	40	11/01/16	02/01/20	Conventional Tax Credit	LIHTC	NO	YES
The Villas Apartments	Clayton, MI	101	12/16/2017		Conventional			
Thornwild II	Scottville, MI	24	12/01/10	08/31/12	RD 515			
Thurgood Marshall Homes	Benton Harbor, MI	72	02/01/08		Conventional Tax Credit	LIHTC	NO	YES
Tisbury Apartments	Radcliff, KY	30	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Together With Friends	Saginaw, MI	6	11/16/01		HUD Section 8			
Town Commons Apartments	Howell, MI	100	12/16/17	01/10/20	Conventional			
Townline Apartments	Pellston, MI	30	09/25/06	01/10/20	MSHDA Tax Credit PBV	LIHTC	NO	YES
Traverse Woods	Petoskey, MI	128	01/01/08		RD 515 Section 8			
Tree Top Apartments	Battle Creek, MI	100	12/16/17	11/06/20	Conventional			
Trinity Manor	Muskegon, MI	46	08/01/08		HUD Section 8			
Trinity Village	Muskegon, MI	30	08/01/08		MSHDA Tax Credit	LIHTC	NO	YES

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Trinity Village II	Muskegon, MI	30	08/01/08		MSHDA Tax Credit	LIHTC	NO	YES
Trumbull Crossing	Detroit, MI	245	01/01/08		MSHDA RAD Tax Credit	LIHTC	NO	YES
Turner Drive	Caro, MI	64	12/03/12		Conventional			
Tuscan Creek	Ypsilanti, MI	300	04/01/06	08/17/10	Conventional			
Tuscan Hills	Detroit, MI	44	04/01/06	02/13/09	Conventional			
Tuscan Park	Detroit, MI	484	04/01/06	02/13/09	Conventional			
Tuscan Shores	Roseville, MI	170	04/01/06	08/17/10	Conventional			
Twelve Pines	Southfield, MI	2	03/01/17		Tax Credit	LIHTC	NO	YES
Twin Lakes Apartments	Kalamazoo, MI	18	03/01/17		Section 8			
Twin Pines	Monroe, MI	18	03/08/10	02/03/12	Conventional			
Union Station	West Chester, OH	347	03/01/18	02/01/20	Conventional			
United North	Toledo, OH	24	11/01/16		Conventional Tax Credit	LIHTC	NO	YES
University Green	Ypsilanti, MI	468	12/16/17		Conventional			
University Meadows	Detroit, MI	53	01/01/08		MSHDA Tax Credit	LIHTC	NO	YES
Uptown Art Center	Toledo, OH	52	07/01/13	05/15/19	OHFA HUD 236 Tax Credit	LIHTC	NO	YES
Valley View	Negunee, MI	16	01/01/08	02/29/12	RD 515			
Valley View I & II	Ionia, MI	108	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES

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Valley View III	Ionia, MI	39	04/01/13		MSHDA Tax Credit	LIHTC	NO	YES
Venture Pontiac	Pontiac, MI	10	12/01/18	01/01/20	Conventional Tax Credit	LIHTC	NO	YES
Venture Rentals	Pontiac, MI	16	12/01/18	01/01/20	NSP HOME			
Village Apartments	Chelsea, MI	33	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Village at Hyde Park	Detroit, MI	43	03/26/13		Conventional			
Village at Lexington	Adrian, MI	12	06/01/08		Conventional Tax Credit	LIHTC	NO	YES
Village at Rivers Edge	Kalkaska, MI	48	02/22/06	10/31/08	Conventional Tax Credit	LIHTC	NO	NO
Village Commons	Lawton, MI	58	03/01/10		RD 515 PBV			
Village Crossings	Edmore, MI	39	09/18/02	04/01/11	MSHDA Tax Credit	LIHTC	NO	NO
Village Crossings	Edmore, MI	39	10/01/15		MSHDA Tax Credit	LIHTC	NO	YES
Village Drive Apartments	Grand Rapids, MI	24	03/01/17		PRAC 811			
Village Glen	Marion, MI	32	01/01/08		RD 515 Tax Credit	LIHTC	NO	YES
Village Glen	Traverse City, MI	120	05/03/05	03/31/13	MSHDA Tax Credit	LIHTC	NO	NO
Village Green	Flora, IL	50	08/01/07		IHDA Tax Credit	LIHTC	NO	YES
Village of Kalamazoo	Kalamazoo, MI	165	03/01/17		Section 8			
Village Square	Bad Axe, MI	32	11/16/99		RD 515 Tax Credit	LIHTC	NO	YES
Village Square	Holly, MI	32	01/01/09	06/11/12	RD 515			
Village View	Traverse City, MI	18	08/20/10	03/31/13	MSHDA Tax Credit Supportive Hsg	LIHTC	NO	NO

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Village Woods	Traverse City, MI	8	03/26/07	03/31/13	Conventional			
Virginia Park Meadows	Detroit, MI	83	01/01/08	10/31/11	MSHDA Tax Credit	LIHTC	NO	NO
Walkabout Creek	Dexter, MI	167	01/01/13		HUD			
Walkabout Creek I	Dexter, MI	100	01/01/92	12/31/12	MSHDA 80/20 Tax Credit	LIHTC	NO	NO
Walkabout Creek II	Dexter, MI	67	10/25/95	12/31/12	MSHDA 70/30 Tax Credit	LIHTC	NO	NO
Walker Village Apartments	Walker, MI	18	03/01/17		Section 8			
Walled Lake Villa	Walled Lake, MI	260	01/01/00		MSHDA Section 8			
Walnut Apartments	Lansing, MI	9	10/14/03	07/01/15	Conventional Tax Credit	LIHTC	NO	NO
Walnut Apartments	Lansing, MI	9	04/04/17	06/01/20	MSHDA Tax Credit	LIHTC	NO	NO
Walnut Manor	Lansing, MI	32	06/01/20		Conventional Tax Credit	LIHTC	NO	YES
Washington Court House I	Washington Court House, OH	60	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Washington Manor	Otsego, MI	12	02/28/94		RD 515 R/A Tax Credit	LIHTC	NO	YES
Waterford Villa	Waterford, MI	2	03/01/17		Tax Credit	LIHTC	NO	YES
Waters Edge Estates	New Baltimore, MI	156	02/02/09	03/31/10	Conventional			
Watertown Place Apartments	Big Rapids, MI	19	03/01/17		Section 8			
Waverly Woods	Lansing, MI	46	10/01/08	04/30/09	Conventional			
Weathervane Apartments	Clinton Township, MI	118	12/16/17		Conventional			
Wellington Apartments	Clare, MI	32	05/21/13	07/01/13	Conventional			

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Wedgewood	Fremont, MI	20	11/29/07		RD 515 Tax Credit	LIHTC	NO	YES
West Boston Apartments	Detroit, MI	27	07/01/08	08/31/13	Conventional HUD Section 8			
West Bridge	Sault Ste. Marie, MI	28	05/01/04		MSHDA Tax Credit PBV	LIHTC	NO	YES
West Hampton	Westland, MI	69	12/10/10		Conventional			
West Hampton Condominiums	Westland, MI	65	12/10/10		Conventional			
Westbrook Place	Battle Creek, MI	69	07/01/13		Conventional Tax Credit	LIHTC	NO	YES
Westwill	Detroit, MI	60	04/01/03	11/30/08	Conventional			
Westwill	Detroit, MI	60	09/05/14	03/31/16	Conventional			
Westchase	Three Rivers, MI	32	01/01/08	10/30/14	RD 515			
Whispering Pines	Indianapolis, IN	304	01/01/09	05/01/11	Conventional			
Whispering Timbers Apartments	Muskegon, MI	18	03/01/17		Section 8			
White Pine Village	Cadillac, MI	68	05/05/05		Conventional			
White Pines I	Harrison, MI	40	01/01/13		MSHDA Tax Credit	LIHTC	NO	YES
White Pines II	Harrison, MI	24	01/01/13		MSHDA Tax Credit PBV	LIHTC	NO	YES
Whitehall II	Muskegon, MI	48	09/01/17		RD HUD Section 8			
Whitehills I	Howell, MI	24	01/01/08	10/30/14	RD 515			
W.H Whitehouse	Boyer City, MI	4	11/01/16		Conventional			

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Wickes Park Homes	Saginaw, MI	24	09/14/10		MSHDA Tax Credit PBV	LIHTC	NO	YES
Wildwood Village	Columbus, OH	272	02/01/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Willa Rawls Manor	Chicago, IL	123	08/03/18		Conventional HUD Section 8			
Willow Creek Manor	Louisville, KY	24	02/01/18	12/31/18	Conventional Tax Credit	LIHTC	NO	NO
Willow Haven	Linden, MI	32	01/01/11	12/31/14	MSHDA RD 515 Tax Credit	LIHTC	NO	NO
Willow Haven	Linden, MI	32	12/01/18	04/01/20	MSHDA RD 515 Tax Credit	LIHTC	NO	NO
Willow Haven II	Linden, MI	20	12/01/18	04/01/20	FHLB Tax Credit	LIHTC	NO	NO
Willow Vista	Lansing, MI	52	08/15/11		HUD Section 8			
Windjammer	Munising, MI	24	01/01/08	04/27/12	RD 515			
Windsor Court	Milwaukee, WI	239	08/18/20		Conventional HUD Section 8 Tax Credit	LIHTC	NO	YES
Wood Creek Manor	Sault Ste. Marie, MI	24	01/01/08	04/27/12	RD 515			
Woodcliff	Ishpeming, MI	24	01/01/08	09/27/10	RD 515			
Woodhill Senior Apartments	Manchester, MI	24	02/01/18		RD Tax Credit	LIHTC	NO	YES
Woodland Glen	Saginaw, MI	80	12/01/04	04/01/11	Conventional Tax Credit	LIHTC	NO	NO
Woodmere Ridge	Traverse City, MI	11	01/01/12		MSHDA Tax Credit Supportive Hsg	LIHTC	NO	YES
Woodridge	Fennville, MI	52	11/18/99		RD Tax Credit	LIHTC	NO	YES

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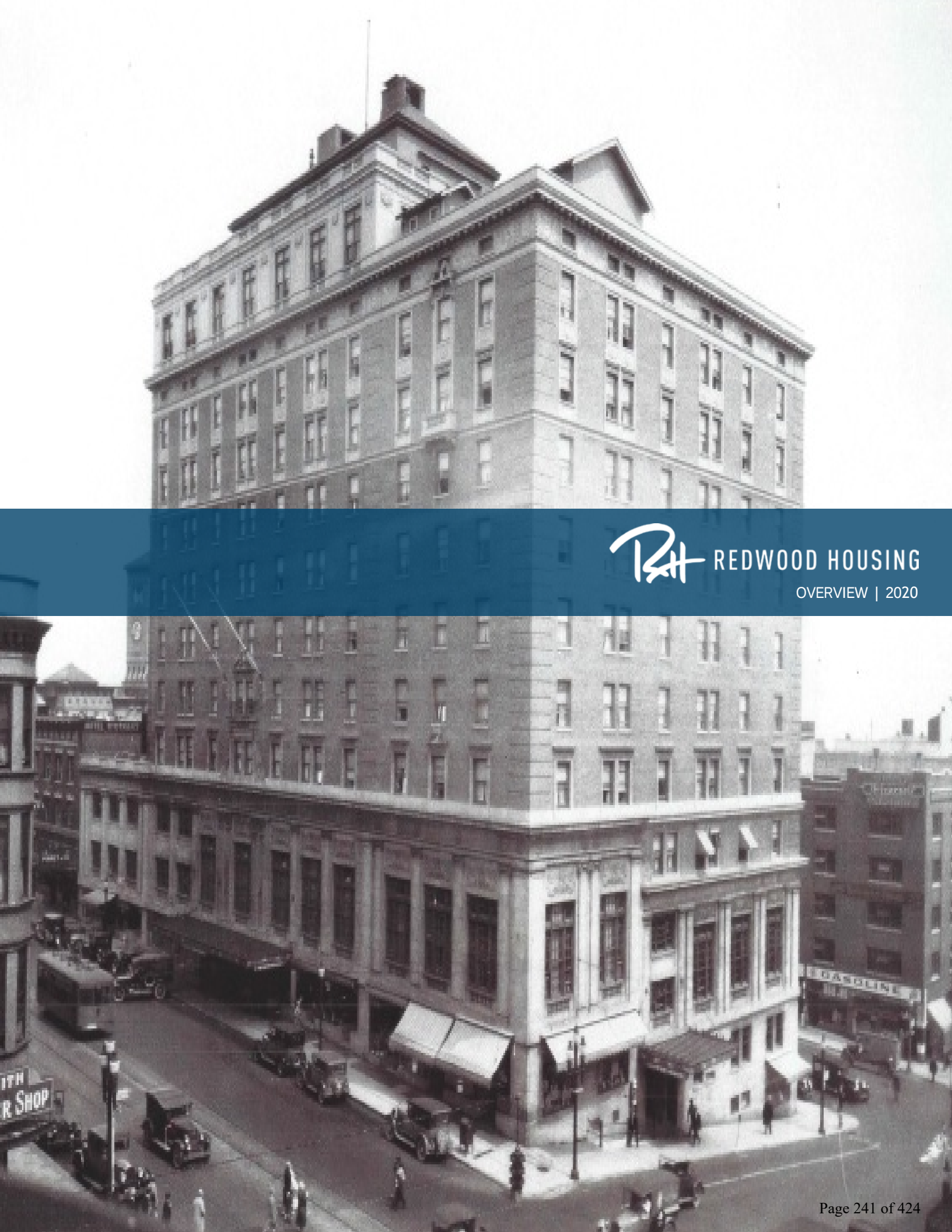
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Woodridge Apartments	White Cloud, MI	32	07/31/17		RD Tax Credit	LIHTC	NO	YES
Woodridge Manor	Peoria, IL	96	08/01/07	06/15/12	IHDA Tax Credit	LIHTC	NO	NO
Woodworth Square	Bad Axe, MI	28	07/26/06	12/31/08	MSHDA Tax Credit	LIHTC	NO	NO
Woodview Apartments	Newaygo, MI	66	07/01/19		Conventional HUD Section 8			
Wyndtree Apartments	Battle Creek, MI	160	12/16/17	11/06/20	Conventional			
York Hills II	Morenci, MI	24	01/01/08	03/02/17	RD 515			
Young Manor	Detroit, MI	135	01/09/07		MSHDA RAD Tax Credit	LIHTC	NO	YES

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Rt REDWOOD HOUSING
OVERVIEW | 2020

EXECUTIVE SUMMARY

Redwood Housing is an impact developer that is focused on raising the standard of living for low- and moderate-income Americans primarily by acquiring, rehabilitating and preserving affordable senior and multi-family properties throughout the country. The need for safe, high-quality and well-maintained affordable housing has never been greater as demand for affordable housing continues to rise and supply remains insufficient to meet demand. Furthermore, many affordable housing properties are at risk of being converted to market-rate housing as real estate values have rebounded significantly. Redwood Housing is dedicated to preserving and meaningfully improving the current stock of affordable housing by acquiring and subsequently rehabilitating its properties.

Redwood Housing's rehabilitation process not only improves the living conditions for residents, but also helps to strengthen surrounding communities and benefit the environment. The extent of such renovation varies greatly and is determined by individual project needs – at times a project may warrant a significant investment due to the failure of core systems and an inhospitable living environment and at other times a project may need a smaller investment to help extend its useful life, address deferred maintenance issues and create a more sustainable and comfortable living environment. Irrespective of project type, size or complexity, Redwood Housing has a strong track record of dedicating the necessary resources and investing the appropriate amount of capital to ensure that every one of its projects succeeds.

Redwood Housing's track record of success is supported by its unwavering commitment, unique structure and base of unencumbered proprietary capital. These factors allow Redwood Housing to assume stewardship of critical community assets without the constraints and limitations of many traditional industry participants. Redwood Housing's value added investor base includes partners at leading real estate, private equity and investment management firms, as well as senior executives across various industries. Additionally, Redwood Housing has assembled what it believes is a best-in-class acquisition and operating team with significant experience in real estate and affordable housing in particular, and has built strong working relationships with government agencies and leading non-profit organizations, who together with Redwood Housing strive to achieve common goals, the foremost of which is to preserve and improve affordable housing for those that need it most.



EXECUTIVE BIOGRAPHIES

Ryan Fuson, Managing Director

Ryan Fuson is a Managing Director of Redwood Housing and is responsible for day to day operations, development activities and investment decisions of the organization. Under the leadership of Ryan, Redwood Housing has established itself as a preeminent impact developer focused primarily on senior and affordable housing and has built a reputation for taking on complex and challenging projects and achieving successful outcomes. Ryan also spends a considerable amount of time collaborating with industry leaders to establish sustainable development programs and techniques that extend beyond project boundaries and have a positive impact on the environment and throughout the communities that Redwood Housing serves. Prior to co-founding Redwood Housing, Ryan held a variety of senior positions at private investment firms that focused on investing capital across asset classes, including real estate, public securities and private equity. Ryan began his career as an investment banking analyst at Goldman Sachs after graduating with honors from the University of Washington.

Jeffrey Green, Managing Director

Jeff Green is a Managing Director of Redwood Housing and is responsible for day to day operations, development activities and investment decisions of the organization. Through the direction of Jeff, Redwood Housing has become a sustainable impact development organization focused primarily on senior and affordable housing and has established a track record of achieving excellent results, operating with the highest level of integrity and exceeding expectations. Jeff also focuses his attention on developing partnerships and procedures critical to supporting Redwood Housing's best-in-class operations and ensuring the long-term sustainability of its communities. Prior to co-founding Redwood Housing, Jeff held a variety of senior positions at private investment firms focused on long-term investments in real estate, public securities and private companies. Jeff graduated with an MBA from the Stanford Graduate School of Business where he was an Arjay Miller Scholar and began his career as an investment banking analyst at Goldman Sachs after graduating with high honors from U.C. Berkeley.

Nick Boehm, Director

Nick Boehm is a Director of Redwood Housing and has significant experience in strategic and hands-on management in all aspects of complex real estate and equity acquisition and disposition transactions. As the leader of the firm's acquisition activities, Nick manages the outreach, negotiation and due diligence processes related to the firm's development opportunities. Through Nick's efforts, Redwood Housing has established meaningful relationships with both affordable housing owner-operators and local housing authorities throughout the country. As part of the diligence process, Nick ensures resources dedicated to preserving and improving these community assets are allocated to maximize durability, energy efficiency and resident living standards. Prior to joining Redwood Housing, Nick held a variety of positions at private investment firms that focused on investing in real estate and public securities. Nick began his career in New York City within institutional capital markets at Deutsche Bank after graduating from Amherst College.

Nicole Green, Director

Nicole Green is a Director of Redwood Housing and leads the firm's asset management activities. In particular, Nicole manages HUD and tax credit compliance requirements and oversees the financial and operational management of the firm's portfolio. Prior to joining Redwood Housing, Nicole held a variety of operational, financial and project management positions at start-ups and large international corporations. Nicole graduated with an MBA from the Stanford Graduate School of Business where she also received a Public Management Program certificate and began her career as an investment banking analyst at Montgomery & Company after graduating from Stanford University with a degree in Public Policy. Nicole is currently a Board Member and Treasurer of the Redwood City Child Development Program which provides early childhood education to low-income working families. Nicole is a NCHM Certified Occupancy Specialist (COS) and a Spectrum Certified Credit Compliance Professional (C3P) and has attended numerous HUD and tax credit related trainings.

SELECT RECENT TRANSACTIONS

CLARK HOUSE | AMHERST, MA

Clark House is a 100-unit affordable senior and family community originally constructed in 1980 and consists of one, two and three-bedroom units on over 1.5 acres of land in Hampshire County. All of the apartments are covered by a Section 8 HAP contract and the project is restricted to seniors and families earning no more than 50% of AMI. While the project had been reasonably well maintained over the years it was in need of a modernization and core system upgrades, which are being addressed as part of a comprehensive, energy efficient renovation.



LA RESOLANA | ALBUQUERQUE, NM

La Resolana is a 167-unit affordable senior community originally constructed in 1979 and consists of one and two-bedroom units on approximately seven acres of land. All of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% of AMI. While the project had been reasonably well maintained over the years it was in need of a modernization, including more efficient building systems, which were addressed as part of an environmentally focused renovation that is intended to materially reduce the energy use of the community.



HAUSTEN GARDENS | HONOLULU HI

Hausten Gardens is a 50-unit affordable senior community originally constructed in 1979 and consists of one-bedroom units located in one eight-story building in Honolulu County. All of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% and 60% of AMI. The project was mismanaged and suffered from a meaningful amount of deferred maintenance, including deteriorating building components, all of which are being addressed as part of a substantial, energy efficient focused renovation.



EL CAZADOR | FRESNO, CA

El Cazador is a 100-unit affordable family community originally constructed in 1971 and consists of one, two and three-bedroom units on approximately 4.5 acres of land. Approximately 2/3 of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% and 60% of AMI. The project suffered from a significant amount of deferred maintenance, including obsolete systems, all of which are being addressed as part of a substantial renovation that also includes a new community building.



SELECT RECENT TRANSACTIONS

WRIGHT PARK HOUSE | TACOMA, WA

Wright Park House is a 54-unit affordable senior community originally constructed in 1980 and consists of one-bedroom units located across the street from Wright Park in Pierce County. All of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% and 60% of AMI. While the project had been reasonably well maintained over the years it was in need of a modernization, including energy efficient systems and upgraded finishes, which were addressed as part of a substantial renovation.



TOWN SQUARE AT VILLAGE GREEN | GILROY, CA

Town Square at Village Green is a 75-unit affordable senior community originally constructed in 2003 and consists of one and two-bedroom units located within a 22 acre gated senior community in Santa Clara County. The project is restricted to tenants earning no more than 50% and 60% of AMI. While the project had been well maintained over the years it was in need of a modernization and energy efficiency upgrades, which are being addressed as part of a green focused renovation that is intended to reduce the energy consumption of the community.



THE WINTHROP | TACOMA, WA

The Winthrop is a mixed-use 13-story historic landmark building originally constructed as a hotel circa 1925 and consists of 200 studio and one-bedroom units as well as retail storefronts and commercial space. Approximately 90% of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% and 60% of AMI. The project was on the verge of failure but has since been revitalized through the successful completion of a substantial and comprehensive renovation that included full system modernizations and the restoration of historic artifacts.



THE PRESIDIO | SAN CLEMENTE, CA

The Presidio is a 72-unit affordable senior community originally constructed in 1986 and consists of studios and one-bedroom units located in one three-story building in southern Orange County. All of the apartments are covered by a Section 8 HAP contract and the project is restricted to tenants earning no more than 50% and 60% of AMI. The project was previously mismanaged and had a meaningful amount of deferred maintenance that was addressed via a substantial environmentally focused renovation, which materially reduced the energy consumption of the community.





3101 BEE CAVES ROAD, SUITE 220 | AUSTIN, TX 78746 | 512-717-3930

RESOLUTION #2021-

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday _____, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of supporting and/or opposing the Ordinance establishing a Payment in Lieu of Taxes (PILOT) for The Apartments West, located at 519 W. Kalamazoo Street in Lansing.

Department of Economic
Development and Planning
Brian McGrain, Director



Andy Schor, Mayor

Development Office
316 N. Capitol Avenue, Suite D-1
Lansing, Michigan 48933
PH: 517.483.4040 – FAX: 517.483.6036
www.lansingmi.gov/development

MEMORANDUM

TO: Mayor Schor

FROM: Barbara Kimmel, Interim Development Manager

DATE: 7.19.21

SUBJECT: PILOT Ordinance for Apartments West

In July of 2021, Economic Development and Planning (ED&P) received an application for Payment In Lieu of Taxes (PILOT) from General Capital Development LLC. Some supporting documentation for this PILOT application is missing, and will be provided post haste.

Request and description of project: The request for a site specific PILOT ordinance is submitted by General Capital Development LLC. The request is for a 40-year 4% PILOT for property located at 519 W. Kalamazoo (TPN 33-01-01-16-353-001). This project proposes the conversion of a 10,000 sq. ft. vacant school into 75 affordable senior housing units, including 5 barrier free units. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in January of 2024.

Project Financing: This project consists of conversion of an existing vacant school building into 75 units of senior affordable housing. It will be competing for Low Income Housing Tax Credits to be awarded by MSHDA. If approved for tax credits, the basic criteria will be met in order to be considered for a 4% PILOT. The Owner anticipates permanently financing the project using Low Income Housing Tax Credit Equity of a 9% at \$13,498.650 along with a conventional mortgage in the amount of \$4,376,321 for a total investment of \$17,874,971.00

The draft PILOT Ordinance is attached along with the Prevailing Wage agreement and a Resolution for Setting a Public Hearing.

THE DED&P NOW ASKS THE MAYOR TO FORWARD THE ATTACHED PILOT ORDINANCE TO CITY COUNCIL FOR TIMELY PLACEMENT ON THE CITY COUNCIL AGENDA FOR THE SCHEDULED MEETING ON JULY 26, 2021.

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	General Capital Development, LLC 6938 N. Santa Monica Blvd. Fox Point, WI 53218
OWNERSHIP ENTITY:	GC-CCA West School LDHA, LLC
STATUS OF APPLICANT:	Newly formed ownership entity
REQUESTED PILOT:	4% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	40 years
EXISTING LAND USE:	Lansing School District, vacant school
EXISTING ZONING:	DT-3 Urban Core
PROPERTY SIZE & SHAPE:	Rectangular 3 acre site
SURROUNDING LAND USE:	N: Park S: Residential E: Multi-Family Residential, Office W: Office
SURROUNDING ZONING:	N: DT-3 Urban Core S: DT-1 Urban Edge E: DT-3 Urban Core W: DT-3 Urban Core

PROJECT ANALYSIS

Request and description of project: The request for a site specific PILOT ordinance is submitted by General Capital Development, LLC. The request is for a 40-year 4% PILOT for property located at 519 W. Kalamazoo (TPN 33-01-01-16-353-001). The Apartments West is a new project that includes conversion of a 10,000 sq. ft. vacant school into senior apartments. The completed project will contain a total of 52 1-bedroom units and 23 2-bedroom units designated as affordable housing, and will include 5 barrier-free units. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed January 1, 2024.

Project Financing: This project consists of conversion of an existing vacant school building into 75 units of senior affordable housing. It will be competing for Low Income Housing Tax Credits

to be awarded by MSHDA. If approved for tax credits, the basic criteria will be met in order to be considered for a 4% PILOT. The Owner anticipates permanently financing the project using Low Income Housing Tax Credit Equity of a 9% at \$13,498.650 along with a conventional mortgage in the amount of \$4,376,321 for a total investment of \$17,874,971.00

FINANCIAL ANALYSIS

The financial analysis from the Assessor's Office is forthcoming.

RECOMMENDATION

Staff recommends adoption of the PILOT ordinance based on the following:

The project is consistent with the City's Form-Based Zoning Code. Significant interior and exterior conversion will take place to create 75 affordable senior housing units including 5 barrier free units. The development may also provide community spaces for local partners and schools. It eliminates environmental and community risk of continuing to leave the building vacant. A 4% PILOT allows the property to operate at a level which can support the debt required to fund the conversion of this building.

July ___, 2021

GC-CCA WEST SCHOOL LDHA, LLC ("Owner")

Attn:

Re: Prevailing Wage ("Davis-Bacon") Determination for APARTMENTS WEST
(the "Development")

To Whom it May Concern:

City of Lansing policy requires the enforcement of the Davis-Bacon Act and other federal labor standards and requirements with respect to all housing developments receiving a benefit from the City of Lansing. The City of Lansing has agreed to grant tax exempt status to the Development and to accept a payment in lieu of taxes pursuant to the contract between the City of Lansing and the Owner. The Davis-Bacon Act requires the Owner and the Contractor to agree to pay prevailing wages to all laborers and mechanics providing work at the Development, and to certify the payment of those prevailing wage rates. The applicable Davis-Bacon prevailing wage determinations for this Development are as set forth in Exhibit A to this letter. The Federal Labor Standards provisions are also attached to this letter.

July __, 2021
Page 2

Please indicate your agreement to pay at least the greater of (1) the minimum hourly wage rate established by Michigan law or (2) the basic hourly prevailing wage rates set forth in Exhibit A and to comply with Federal Labor Standards during the construction of the Development by indicating your concurrence in the spaces provided for that purpose below. These prevailing wage determinations must be incorporated into the Construction Contract between the Owner and the Contractor (the "Contract"). The Owner and Contractor must also certify to the City of Lansing on a quarterly basis, beginning in _____, and ending upon completion of construction (as evidenced by the issuance of Certificates of Occupancy or equivalent on all of the units in the Development), that all laborers and mechanics have been paid prevailing wages as required by this Letter and under the Contract. The Certification issued by the Owner shall be in the form attached hereto as Exhibit B.

Sincerely,

CITY OF LANSING

By:_____

July __, 2021
Page 3

We hereby agree to require the Contractor to comply with the prevailing wage and other requirements contained in this letter, and to incorporate these requirements and the Federal Labor Standards Provisions in the Contract and each subcontract, as set forth in Exhibit C.

The provisions of this Letter may be enforced by the Owner, the City of Lansing, the U.S. Department of Labor, and, to the extent permitted by law, any person intended to be benefitted by them. A breach of the provisions of this Letter shall be considered a material breach of the Contract, and shall give the Owner the rights following a default under the Contract. A breach of the provisions of this Letter may also result in the debarment of the Contractor from future participation in U.S. Government contracts under 29 CFR Part 98.

SPONSOR:
GENERAL CAPITAL DEVELOPMENT,
LLC
By:
Its: Managing Member

By:
Its:

We hereby agree to comply with the prevailing wage and other requirements listed in this letter, and agree that these requirements are hereby incorporated in the Contract. We further agree that representatives of each of the foregoing parties with enforcement rights shall have full and free access, during working hours and after reasonable notice, to all our labor- related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements. We further agree that we shall promptly respond to all requests for information made by the City of Lansing respecting compliance with these requirements.

We shall further cause and require to be included in all subcontracts a provision that representatives of the City of Lansing shall have full and free access, during working hours and after reasonable notice, to all labor-related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, of the subcontractor relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements.

_____ Construction Company, Inc.

By:

Its:

EXHIBIT A
APARTMENTS WEST

"General Decision Number: MI20210014 07/16/2021

Superseded General Decision Number: MI20200014

State: Michigan

Construction Type: Residential

County: Ingham County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.95 for calendar year 2021 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.95 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2021. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/01/2021
1	01/29/2021
2	07/16/2021

	Rates	Fringes
CARPENTER (Form Work Only).....	\$ 19.85	20.71

 * ELEC0252-006 06/01/2021

Townships of Bunker Hill, Leslie, Onondaga and Stockbridge

	Rates	Fringes
ELECTRICIAN.....	\$ 33.69	20%+10.80

 * ELEC0665-010 05/31/2021

Townships of Alaiedon, Aurelius, Delhi, Ingham, Lansing, Leroy, Locke, Meridian, Vevay, Wheatfield, White Oak and Williamson

	Rates	Fringes
ELECTRICIAN.....	\$ 30.00	9.25+5.5%

 ENGI0325-029 06/01/2020

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 40.38	24.85
GROUP 2.....	\$ 37.08	24.85
GROUP 3.....	\$ 34.43	24.85

FOOTNOTES:

Crane operator with main boom and jib 300' or longer: \$1.50 per hour above the group 1 rate.

Crane operator with main boom and jib 400' or longer: \$3.00 per hour above the group 1 rate.

PAID HOLIDAYS: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Crane operator with main boom and jib 400', 300', or 220' or longer.

GROUP 2: Crane operator with main boom and jib 140' or longer, tower crane, gantry crane, whirley derrick

GROUP 3: Bulldozer; Crane; Grader/Blade; Loader; Scraper

IRON0025-004 06/01/2019		
	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 36.77	29.03

LABO0499-008 10/01/2014		
	Rates	Fringes
LABORER: Mason Tender - Cement/Concrete.....	\$ 16.72	12.75

PAIN0845-002 05/21/2014		
	Rates	Fringes
PAINTER: Brush and Roller.....	\$ 16.43	11.85

PLUM0333-003 06/18/2018		
	Rates	Fringes
PIPEFITTER (Including HVAC Pipe Installation).....	\$ 25.82	18.47
PLUMBER (Excluding HVAC Pipe Installation).....	\$ 25.82	18.47

ROOF0070-012 06/01/2020		
	Rates	Fringes
ROOFER.....	\$ 30.43	15.68

SHEE0007-023 05/01/2018		
	Rates	Fringes
SHEET METAL WORKER, Includes HVAC Duct and Unit Installation.....	\$ 24.93	9.65

SUMI2010-012 09/16/2010		
	Rates	Fringes
CARPENTER, Excludes Form Work....	\$ 17.64	6.70

CEMENT MASON/CONCRETE FINISHER....\$ 19.27	5.85
LABORER: Common or General.....\$ 17.21	5.46
LABORER: Landscape.....\$ 9.64	2.81
LABORER: Pipelayer.....\$ 17.95	5.46
OPERATOR: Backhoe/Excavator.....\$ 19.94	5.46
OPERATOR: Bobcat/Skid Steer/Skid Loader.....\$ 17.66	7.65
TRUCK DRIVER: Dump Truck.....\$ 17.00	5.71

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification

and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request

review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

EXHIBIT B

Prevailing Wage Certification

[INSERT DATE]

City of Lansing
Attn: City Assessor's Office
124 W. Michigan Avenue
Lansing, Michigan

RE: APARTMENTS WEST

Pursuant to that certain Prevailing Wage Letter Agreement (the "Letter") dated _____, the undersigned, GC-CCA WEST SCHOOL LDHA, LLC ("Owner"), and _____ Construction Company, Inc. ("Contractor"), hereby certify, each on their own behalf and to the best of their knowledge, to the City of Lansing that each have complied with the requirements of the Letter and that all laborers and mechanics have been paid prevailing wages as required by the Letter and under the Contract.

GC-CCA WEST SCHOOL LDHA, LLC

By:

Its: Managing Member

By: _____

Its:

_____ Construction Company, Inc.

By: _____

Its:

Federal Labor Standards Provisions

U.S. Department of Housing
and Urban Development
Office of Labor Relations**Applicability**

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30 -day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215 -0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215- 0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis- Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215 -0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e. g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A. 3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A. 3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to, and individually registered in a program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

form HUD-4010 (06/2009)

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U. S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U. S. C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; Liability for unpaid wages; Liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91- 54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO AMEND THE CODE OF ORDINANCES OF THE CITY OF LANSING BY ADDING A NEW SECTION 888.____ FOR THE PURPOSES OF PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES FOR SEVENTY-FIVE (75) LOW INCOME MULTI-FAMILY DWELLING UNITS IN A PROJECT KNOWN AS APARTMENTS WEST, PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, AS AMENDED.

THE CITY OF LANSING ORDAINS:

SECTION 1. That Chapter 888 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new Section 888.____ to read as follows:

888.____ APARTMENTS WEST

(A) *PURPOSE*. IT IS ACKNOWLEDGED THAT IT IS A PROPER PUBLIC PURPOSE OF THE STATE AND ITS POLITICAL SUBDIVISIONS TO PROVIDE HOUSING FOR ITS RESIDENTS OF LOW AND MODERATE INCOME AND TO ENCOURAGE THE DEVELOPMENT OF SUCH HOUSING BY PROVIDING FOR A SERVICE CHARGE IN LIEU OF PROPERTY TAXES IN ACCORDANCE WITH THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, BEING PUBLIC ACT 346 OF 1966, AS AMENDED [MCL 125.1401, ET SEQ.]. THE CITY IS AUTHORIZED BY SUCH ACT TO ESTABLISH OR CHANGE THE SERVICE CHARGE TO BE PAID IN LIEU OF TAXES BY ANY OR ALL CLASSES OF HOUSING EXEMPT FROM TAXATION UNDER SUCH ACT AT ANY AMOUNT IT CHOOSES, NOT TO EXCEED THE TAXES THAT WOULD BE PAID BUT FOR THIS ACT. IT IS FURTHER ACKNOWLEDGED THAT SUCH HOUSING FOR PERSONS OF LOW AND MODERATE INCOME IS A PUBLIC

1 NECESSITY, AND AS THE CITY WILL BE BENEFITED AND IMPROVED BY SUCH
2 HOUSING, THE ENCOURAGEMENT OF THE SAME BY PROVIDING CERTAIN
3 REAL ESTATE TAX EXEMPTION FOR SUCH HOUSING IS A VALID PUBLIC
4 PURPOSE.

5 (B) *DEFINITIONS.*

6 (1) "*ACT*" MEANS THE STATE HOUSING DEVELOPMENT AUTHORITY ACT,
7 BEING PUBLIC ACT 346 OF 1966, AS AMENDED.

8 (2) "*ANNUAL SHELTER RENTS*" MEANS THE TOTAL COLLECTIONS DURING AN
9 AGREED ANNUAL PERIOD FROM ALL PERSONS OF LOW OR MODERATE
10 INCOME, OCCUPYING THE HOUSING DEVELOPMENT REPRESENTING
11 RENTS FOR OCCUPANCY, WHICH RENTAL AMOUNTS SHALL BE EXCLUSIVE
12 OF CHARGES FOR GAS, ELECTRICITY, HEAT OR OTHER UTILITIES
13 FURNISHED TO THE OCCUPANTS.

14 (3) "*AUTHORITY*" MEANS THE MICHIGAN STATE HOUSING DEVELOPMENT
15 AUTHORITY.

16 (4) "*HOUSING DEVELOPMENT* " OR " *DEVELOPMENT*" MEANS A DEVELOPMENT
17 WHICH CONTAINS A SIGNIFICANT ELEMENT OF HOUSING FOR PERSONS OF
18 LOW AND MODERATE INCOME AND SUCH ELEMENTS OF OTHER HOUSING,
19 COMMERCIAL, RECREATIONAL, INDUSTRIAL, COMMUNAL AND
20 EDUCATIONAL FACILITIES AS THE AUTHORITY MAY DETERMINE WILL
21 IMPROVE THE QUALITY OF THE DEVELOPMENT AS IT RELATES TO
22 HOUSING FOR PERSONS OF LOW AND MODERATE INCOME. FOR THE

PURPOSE OF THIS SECTION, THE NAME OF THIS DEVELOPMENT IS
APARTMENTS WEST, AND CONSISTS OF SEVENTY-FIVE (75) UNITS OF
RENTAL HOUSING LOCATED WITHIN LANSING AT:

BLOCK 140 ORIG PLAT OF THE CITY OF LANSING

(5) "*HUD*" MEANS THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT OF THE UNITED STATES GOVERNMENT.

(6) "*LOW INCOME HOUSING TAX CREDIT PROGRAM*" MEANS THE PROGRAM
ESTABLISHED BY SECTION 42 OF THE UNITED STATES INTERNAL REVENUE
CODE.

(7) "*LOW OR MODERATE INCOME*" MEANS LOW OR MODERATE INCOME
ELIGIBILITY UNDER THE AUTHORITY ACT OR RULES.

(8) "*MORTGAGE LOAN*" MEANS A LOAN TO BE MADE BY A PRIVATE ENTITY
AND INSURED BY HUD, OR A LOAN FROM THE AUTHORITY FOR THE
FINANCING OF THE PURCHASE AND REHABILITATION OF THE HOUSING
DEVELOPMENT.

(9) "*SPONSOR*" MEANS A PERSON OR OTHER ENTITY WITH A HOUSING
DEVELOPMENT WHICH IS FINANCED OR ASSISTED PURSUANT TO THE ACT.
FOR PURPOSES OF THIS SECTION, THE SPONSOR OF APARTMENTS WEST IS
GENERAL CAPITAL DEVELOPMENT, LLC, OR ITS SUCCESSORS OR ASSIGNS.

(10) "*UTILITIES*" MEANS FUEL, WATER, SANITARY SEWER AND/OR ELECTRICAL
SERVICE, WHICH IS PAID FOR BY THE HOUSING DEVELOPMENT.

(C) *ESTABLISHMENT OF ANNUAL SERVICE CHARGE.*

1 (1) THE CITY ACKNOWLEDGES THAT THE SPONSOR AND THE AUTHORITY
2 HAVE ESTABLISHED THE ECONOMIC FEASIBILITY OF APARTMENTS WEST
3 IN RELIANCE UPON THE ENACTMENT AND CONTINUING EFFECT OF THIS
4 SECTION AND UPON THE QUALIFICATION OF THE SEVENTY-FIVE (75)
5 UNITS OF HOUSING IN THE HOUSING DEVELOPMENT FOR EXEMPTION
6 FROM ALL PROPERTY TAXES AS ESTABLISHED IN THIS SECTION.

7 (2) SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THIS SECTION AND
8 THE ACT, THE SEVENTY-FIVE (75) UNITS IN THE HOUSING DEVELOPMENT
9 FOR PERSONS OF LOW AND MODERATE INCOME IDENTIFIED AS
10 APARTMENTS WEST AND THE PROPERTY ON WHICH THEY ARE
11 CONSTRUCTED SHALL BE EXEMPT FROM ALL PROPERTY TAXES FOR NOT
12 MORE THAN FORTY (40) YEARS, COMMENCING WITH THE ACQUISITION OF
13 THE PROPERTY BY SPONSOR.

14 (3) IN LIEU OF ALL SAID PROPERTY TAXES ON THE SEVENTY-FIVE (75) UNITS
15 IN THE HOUSING DEVELOPMENT, THE SPONSOR SHALL PAY, AND THE CITY
16 WILL ACCEPT, AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES, IN
17 THE SUM EQUAL TO, FOUR PERCENT (4%) OF THE DIFFERENCE BETWEEN
18 THE ANNUAL SHELTER RENTS ACTUALLY COLLECTED AND UTILITIES.

19 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION SHALL COMMENCE
20 WHEN THE SPONSOR COMPLIES WITH SECTION 15A(1) OF 1966 PA 346, AS
21 AMENDED, CODIFIED AS MCL 125.1415A(1), WHICH PROVIDES: THE OWNER
22 OF A HOUSING PROJECT ELIGIBLE FOR THE EXEMPTION SHALL FILE WITH
23 THE LOCAL ASSESSING OFFICER (THE CITY ASSESSOR) A NOTIFICATION OF

1 THE EXEMPTION, WHICH SHALL BE IN AN AFFIDAVIT FORM AS PROVIDED
2 BY THE AUTHORITY. THE COMPLETED AFFIDAVIT FORM FIRST SHALL BE
3 SUBMITTED TO THE AUTHORITY FOR CERTIFICATION BY THE AUTHORITY
4 THAT THE PROJECT IS ELIGIBLE FOR THE EXEMPTION. THE OWNER THEN
5 SHALL FILE OR CAUSE TO BE FILED THE CERTIFIED NOTIFICATION OF THE
6 EXEMPTION WITH THE LOCAL ASSESSING OFFICER BEFORE NOVEMBER 1
7 OF THE YEAR PRECEDING THE TAX YEAR IN WHICH THE EXEMPTION IS TO
8 BEGIN.

9 (5) IN ADDITION TO THE CERTIFICATION REQUIRED PURSUANT TO
10 SUBSECTION (C)(4), THE SPONSOR SHALL PROVIDE FOR THE HOUSING
11 DEVELOPMENT ANNUALLY IN WRITING TO THE CITY ASSESSOR FOR THE
12 PRECEDING YEAR IN WHICH THE PROPERTY TAX EXEMPTION WAS IN
13 EFFECT:

14 A. THE ANNUAL AUDITED ACCOUNTING REPORT FOR THE PAYMENT IN
15 LIEU OF TAXES; AND

16 B. A CERTIFIED STATEMENT IDENTIFYING ALL THE UNITS RENTED TO
17 PERSONS OF LOW OF MODERATE INCOME; AND

18 C. IF REQUESTED BY THE CITY, PROOF THAT THE HOUSING
19 DEVELOPMENT UNITS HAVE NOT INCREASED, DECREASED, OR BEEN
20 ALTERED IN ANY FORM, UNLESS THE CITY HAS OTHERWISE AMENDED
21 THE PROVISIONS OF THIS SECTION; AND

1 (D) *LIMITATION ON THE PAYMENT OF THE ANNUAL SERVICE CHARGE.*

2 NOTWITHSTANDING SUBSECTION (C), THE SERVICE CHARGE TO BE PAID EACH
3 YEAR IN LIEU OF TAXES FOR THE PART OF THE HOUSING DEVELOPMENT
4 PROJECT THAT IS TAX EXEMPT AND OCCUPIED BY OTHER THAN LOW OR
5 MODERATE INCOME PERSONS SHALL BE EQUAL TO THE FULL AMOUNT OF
6 THE TAXES THAT WOULD OTHERWISE BE DUE AND PAYABLE ON THAT
7 PORTION OF THE HOUSING DEVELOPMENT PROJECT IF THE PROJECT WERE
8 NOT TAX EXEMPT.

9 (E) *PAYMENT OF ANNUAL SERVICE CHARGE.* THE SERVICE CHARGE IN LIEU OF
10 TAXES, AS ESTABLISHED UNDER THIS SECTION, SHALL BE PAYABLE IN THE
11 SAME MANNER AS GENERAL PROPERTY TAXES ARE PAYABLE TO THE CITY,
12 EXCEPT THAT THE ANNUAL PAYMENT SHALL BE MADE ON OR BEFORE JULY
13 1 OF THE YEAR FOLLOWING THE YEAR UPON WHICH SUCH CHARGE IS
14 CALCULATED.

15 (F) *CONTRACTUAL EFFECT.* NOTWITHSTANDING THE PROVISIONS OF SECTION
16 15(A)(5) OF THE ACT TO THE CONTRARY, A CONTRACT BETWEEN THE CITY
17 AND THE SPONSOR WITH THE AUTHORITY AS THIRD-PARTY BENEFICIARY
18 UNDER THE CONTRACT, TO PROVIDE TAX EXEMPTION AND ACCEPT PAYMENT
19 IN LIEU OF TAXES AS PREVIOUSLY DESCRIBED, IS EFFECTUATED BY THE
20 ENACTMENT OF THIS SECTION.

21 (G) *COMMENCEMENT AND DURATION.* THIS SECTION SHALL REMAIN IN EFFECT
22 AND SHALL NOT TERMINATE FOR FORTY (40) YEARS, COMMENCING WITH THE
23 ACQUISITION OF THE PROPERTY BY THE SPONSOR, PROVIDED THAT THE

1 SPONSOR COMPLIES WITH THE REQUIREMENTS OF THE ACT AND THIS
2 SECTION, AND FURTHER PROVIDED THAT THE HOUSING DEVELOPMENT
3 CONTINUES TO BE RENTED TO LOW OR MODERATE INCOME PERSONS AT
4 RENTS DETERMINED UNDER THE LOW INCOME HOUSING TAX CREDIT
5 PROGRAM, AS THE SAME MAYBE FURTHER AMENDED OR SUPERSEDED, OR
6 THERE IS AN AUTHORITY-AIDED OR FEDERALLY-AIDED MORTGAGE ON THE
7 HOUSING DEVELOPMENT AS PROVIDED IN THE ACT, OR THE AUTHORITY OR
8 HUD HAS AN INTEREST IN THE PROPERTY; BUT IN NO EVENT BEYOND
9 DECEMBER 31, 2062. IF THE SPONSOR CHANGES THE SCOPE OR PURPOSE OF
10 THE SEVENTY-FIVE (75) UNITS OF HOUSING WITHIN THE DEVELOPMENT
11 WITHOUT THE CONSENT OF THE CITY OF LANSING, BY AND THROUGH ITS
12 REPRESENTATIVES, AND IN ACCORDANCE WITH THE REQUIREMENTS OF THE
13 LANSING CITY CHARTER, AND THE SPONSOR OR OTHER RESPONSIBLE PARTY
14 DOES NOT CURE THE VIOLATION AFTER NOTICE IS GIVEN AS PROVIDED IN THE
15 MANNER CONSISTENT WITH THE METHOD CONTAINED IN SECTION 206.18(b)
16 OF THESE CODIFIED ORDINANCES, THEN THIS SECTION SHALL
17 AUTOMATICALLY EXPIRE AND BE OF NO EFFECT. IF THE CONSTRUCTION OF
18 THE HOUSING DEVELOPMENT DOES NOT COMMENCE WITHIN 1 YEAR FROM
19 THE EFFECTIVE DATE OF THIS SECTION, THIS SECTION SHALL
20 AUTOMATICALLY EXPIRE AND BE OF NO EFFECT.

21 SECTION 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
22 inconsistent with the provisions hereof are hereby repealed as they pertain to Walter French at the
23 time this exemption commences.

1 SECTION 3. Should any section, clause or phrase of this ordinance be declared to be
2 invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other
3 than the part so declared to be valid.

4 SECTION 4. This Ordinance shall take effect on the 30th day after enactment unless given
5 immediate effect by the City Council.

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15 Approved as to form:
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James D. Smiertka, City Attorney

Dated: _____

RESOLUTION #2021-

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday _____, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of supporting and/or opposing the Ordinance establishing a Payment in Lieu of Taxes (PILOT) for Walter French, located at 1900 S. Cedar Street in Lansing.

**Department of Economic
Development and Planning**
Brian McGrain, Director



Andy Schor, Mayor

Development Office
316 N. Capitol Avenue, Suite D-1
Lansing, Michigan 48933
PH: 517.483.4040 – FAX: 517.483.6036
www.lansingmi.gov/development

MEMORANDUM

TO: Mayor Schor

FROM: Barbara Kimmel, Interim Development Manager

DATE: 7.21.21

SUBJECT: PILOT Ordinance for Walter French

In July of 2021, Economic Development and Planning (ED&P) received an application for Payment In Lieu of Taxes (PILOT) from Walter French LDHA LP, as well as required documentation.

Request and description of project: The request for a site specific PILOT ordinance is submitted by Walter French LDHA LP. The request is for a 20-year 6% PILOT for property located at 1900 S. Cedar Street (PPN 33-01-01-28-202-426). This project includes \$13,862,311 for historic restoration and adaptive use and upon completion will contain a total of 76 units designated as affordable housing, including 8 barrier free units and 17 supportive housing units for persons of the highest need in the area. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in December of 2023. The project will target MSHDA Green Standards.

Project Financing: This project is for historic restoration and adaptive reuse of an existing building that will provide 76 affordable housing units. It will be competing for Low Income Housing Tax Credits to be awarded by MSHDA. If approved for tax credits, the basic criteria will be met in order to be considered for a 6% PILOT. The Owner anticipates permanently financing the project using a taxable loan, Historic Tax Credits, Low Income Housing Tax Credits, HOME funding and CDBG funding for a total investment of \$17,406,770

The draft PILOT Ordinance is attached, along with the Prevailing Wage agreement and a Resolution for Setting a Public Hearing.

THE DED&P NOW ASKS THE MAYOR TO FORWARD THE ATTACHED PILOT ORDINANCE TO CITY COUNCIL FOR TIMELY PLACEMENT ON THE CITY COUNCIL AGENDA FOR THE SCHEDULED MEETING ON JULY 26, 2021.

“Equal Opportunity Employer”

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	Capital Area Housing Partnership 600 W. Maple Street-Suite D Lansing MI 48906
STATUS OF APPLICANT:	Newly formed ownership entity, Walter French LDHA LP
REQUESTED PILOT:	6% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	20 years
EXISTING LAND USE:	Vacant historic former school and offices
EXISTING ZONING:	MX-3 District Mixed Use Center
PROPERTY SIZE & SHAPE:	9.1 acre irregularly shaped parcel with frontage on E. Mt. Hope and S. Cedar Streets, containing an existing 176,780 sq. ft. 3 story historic structure.
SURROUNDING LAND USE:	N: Commercial and Residential S: School E: Commercial and residential W: Residential cottages (demolition in progress)
SURROUNDING ZONING:	N: MX-3 District Mixed Use Center and R-6B-Urban Detached Res. S: MX-3 District Mixed Use Center and R-5 Urban Detached Res. E: MX-1-Neighborhood mixed –use Center W: R-5 Urban Detached Res.

ANALYSIS

Request and description of project: The request for a site specific PILOT ordinance is submitted by Walter French LDHA LP (the “Owner”.) The request is for a 20-year 6% PILOT for property located at 1900 S. Cedar Street (PPN 33-01-01-28-202-426). The Walter French development will include the historic restoration and adaptive reuse of the existing school adding 76 affordable housing units in the space previously used as classroom/office space. The completed project will contain a total of 76 affordable units consisting of 46 one-bedroom, 24 two-bedroom and 6 three-bedroom units to house low and moderate income residents with

incomes between 30% and 80% of Area Median Income. Of the 76 units, 8 will meet barrier free standards. 19 units will be reserved for persons of the highest need in the area and supportive services provided via partnerships with Advent Housing, Community mental Health and other area providers.. The project will be submitted for Low Income Housing Tax Credit award in August 2014. Construction will be completed in 2015.

Energy efficiency and green design are planned. A partnership with the Lansing Board of Water and Light will provide power generation on the site that will increase affordability of both the development and the ongoing operations of the building.

Common/Community/Commercial use of the previous gyms, auditorium and cafeteria is in the design phase with ongoing conversations with LBWL and several mid-Michigan community service agencies in need of collaboration and office space.

ASSESSORS FINANCIAL ANALYSIS:

RECOMMENDATION

Staff recommends adoption of the PILOT ordinance based on the following:

The Project is consistent with the City's Form-Based Code (FBC). Redevelopment of the historic building as proposed will help retain the existing character of the area and add 76 units of affordable housing, including 19 supportive housing units for persons of highest need in the area. Occupancy of the completed units will add vitality to the area and increase its overall marketability.



Andy Schor, Mayor

APPLICATION FOR PAYMENT IN LIEU OF TAXES (PILOT)

PROJECT NAME:	Walter French	
PILOT PERIOD REQUESTED:	2023 - 2043	Years (Should match term of qualifying mortgage)
NUMBER OF PARCELS IN PROJECT:	1 Parcels	
APPLICATION TYPE: (Check all that apply)	☒ NEW PROJECT ☐ RESTRUCTURE OF PROJECT FINANCING ☐ CHANGE IN OWNERSHIP	
PILOT Percentage Requested:	6%	

A. OWNERSHIP INFORMATION

NAME OF OWNERSHIP ENTITY:	Capital Area Housing Partnership (as funding is received this will change to: 1900 Cedar Development, LLC / Walter French LDHA LP.
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TYPE OF OWNERSHIP:	☒ LIMITED DIVIDEND HOUSING ASSOCIATION
	☐ QUALIFIED NONPROFIT HOUSING CORPORATION
	☐ CONSUMER HOUSING COOPERATIVE
	☒ OTHER: (DESCRIBE) Currently non-profit, will change at LIHTC funding.

DEVELOPER/SPONSOR:	Capital Area Housing Partnership
DEVELOPER ADDRESS:	600 W. Maple Street – Suite D, Lansing, MI 48906

CONTACT PERSON:	Rawley Van Fossen
TELEPHONE:	517-575-7646
EMAIL:	rawley@capitalareahousing.org

B. CITY APPROVALS NEEDED

PLANNING BOARD	☐ YES ☐ NO ☒ NOT APPLICABLE
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	STATUS:
ZONING BOARD OF APPEALS	☐ YES ☒ NO ☐ NOT APPLICABLE
	STATUS: Was previously rezoned for mixed use/multi-family.
HISTORIC DISTRICT COMMISSION	☐ YES ☒ NO ☐ NOT APPLICABLE
	STATUS:
OTHER:	STATUS:
EXPECTED PROJECT START DATE:	September 2022
EXPECTED PROJECT COMPLETION DATE:	December 2023

C. PROJECT INFORMATION

Project Address:	1900 S. Cedar Street, Lansing, MI 48910
General Location (e.g. cross streets)	S. Cedar Street and W. Mount Hope Avenue.
Is Project located in a Renaissance Zone?	☐ Yes ☒ No
Is Project located in a Neighborhood Enterprise Zone?	☐ Yes ☒ No
Is Ownership Entity able to demonstrate site control?	☒ Yes ☐ No

Note: Project is not eligible for PILOT if Ownership Entity is not able to demonstrate site control. Site control is demonstrated through ownership, purchase/option agreement, etc. Contact the Community Development Department with questions regarding sufficient documentation.

Provide a complete description of the project including the parties involved, necessary background information, number of parking spaces being provided, and any special certification (e.g. LEED) the project will target. (Provide attachment if necessary)



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If project financing is being restructured, detail all physical improvements to the project completed within the last five (5) years and any planned improvements. (Provide as attachment if necessary)

D. BUILDING INFORMATION

Building Type (e.g. single/multi-family, number of floors)
Total Number of Units: 76
Number of Rent Restricted Units: 76
Number of Market Rate Units: 0
Total Number of Barrier-Free Units: 8
Target Demographic(s): Families, Persons with disabilities, Homeless, Senior

Transitional Housing for Homeless Project	☐ Yes ☒ No
Emergency Shelter Project	☐ Yes ☒ No
Targeted Income (% of Area Median Income)	30% - 80%
Residential Space Square Footage:	139,000 approx.
Non-Residential (N/R Space):	☒ Yes ☐ No
Square Footage (of N/R Space):	30,000 approx.
Use (of N/R Space):	Community space and commercial.
Neighborhood District:	

Describe how the project will fit into the neighborhood: As Walter French is a visible anchor in the adjacent Baker-Donora neighborhood, the redevelopment of this building is a vast improvement over the current vacant and deteriorating condition of the site. Mixed residential and commercial use of the space creates a good Segway between the surrounding commercial/retail and residential uses on each side of the site.

Provide neighborhood feedback regarding any proposed new construction: No new construction, this is a rehab of an existing structure. Though neighborhood meetings and tours were held, and received support from those who participated.



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E. UNIT INFORMATION

Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)	
Rent Restricted Units			Restricted Rate	Market Rate *
0- Bedroom	0			
1- Bedroom	39	650	451-949	n/a
2- Bedroom	31	900	541-1137	n/a
3- Bedroom	6	1250	626-1311	n/a
4- Bedroom	0			
5- Bedroom	0			
Subtotal	76	estimated		

*The expected market rate for the rent restricted unit. The information is used for comparison purposes.

Provide a description of the units in the project:	The project will include 76-units that will follow the configuration of the previous classroom spaces to allow for the historic renovation of the building. Large windows, high ceilings, and large units with these apartments marketable.
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Unit Type	Number of Units	Average Unit Size (sq. ft.)	Projected Monthly Rent per Unit (including utility allowances)
Market Rate Units			
0- Bedroom	<u>0</u>		
1- Bedroom	<u>0</u>		
2- Bedroom	<u>0</u>		
3- Bedroom	<u>0</u>		
4- Bedroom	<u>0</u>		
5- Bedroom	<u>0</u>		
Subtotal	<u>0</u>		
Total	<u>0</u>		



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F. PROJECT FINANCING

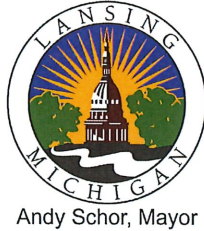
Federally-aided Mortgage, Advance, or Grant	☐ Yes	☒ No
Name of Loan/Credit Program	Term of Financing	Amount
		\$
		\$
		\$

State-aided Mortgage, Advance, or Grant	☒ Yes	☐ No
Name of Loan/Credit Program	Term of Financing	Amount
Taxable Loan	40 year/4.25% mtg	\$1,816,957
HOME Gap Funding	Cash Share Loan	\$363,028
		\$

City-aided Mortgage, Advance, or Grant	☒ Yes	☐ No
Name of Loan/Credit Program	Term of Financing	Amount
CDBG	30 year	\$600,000
		\$
		\$

Low Income Housing Tax Credits (LIHTC)	☒ Yes	☐ No
Name of Loan/Credit Program	Term of Financing	Amount
MSHDA LIHTC/Cinnaire – 4%		\$1,399,343
Historic Tax Credits/Cinnaire		\$2,810,258
MSHDA LIHTC/Cinnaire – 9%		\$13,048,695

LIHTC Application Date:	9% (10/1/2021); 4% (Funding Approved)	
LIHTC Status:	Application in process for October funding round.	
Initial Use Commitment in LIHTC Application:	15	Years
Extended Use Commitment in LIHTC Application:	30	Years
Total Length of Affordability Commitment in LIHTC Application:	45	Years



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Contact Person for Qualifying Federal or State Financing:	Chad Benson, MSHDA LIHTC Manager
Phone Number:	517-335-9874
Email:	bensonc@michigan.gov

Description and status of other (private) financing:	Commitment in process.
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Description why PILOT is necessary:	Rent affordability, competitive points to bring LIHTC funding in. PILOT request at 6% of 76 units. CAHP has provided the maximum commitment of funding allowed by MSHDA at \$1.3 million of our own, the project requires additional hard debt to be feasible. Lansing previously approved a 6% PILOT for this project. We are seeking an simple amendment to the PILOT language.
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G. ADDITIONAL INFORMATION

Attach the following required documents to this application.

- ☒ Ownership Entity Organizational Documents
- ☒ Description of Project
- ☒ Legal Description of property (electronic version should be available on request)
- ☒ Evidence of Site Control
- ☒ Statement of Development Team Experience (be specific)
- ☒ Sources and Uses Statement (indicate if the funding is committed or pending)
- ☒ Operating Proforma (highlighting PILOT contribution to project)
- ☐ Financing Mortgage
- ☐ Financing Note
- ☐ Financing or Development Agreement/Copy of Regulatory Agreement



Andy Schor, Mayor

- ☒ Location Map of Project Parcels
- ☒ Property Manager Portfolio (of properties)
- ☐ PILOT "Savings Worksheet" (template provided by Development Office)
- ☐ Other Attachment (Describe)

Provide explanation below if any required documents are unavailable at the time of this application.

Financing mortgage, Note, and Regulatory Agreement are not available prior to LIHTC award of funding and/or closing on financing.

The applicant is responsible for providing written notification to the Development Office of any change in the information contained in this application or its attachments as soon as the applicant becomes aware of the change.

The Development Office reserves the right to request additional information and/or supporting documentation related to this application

The undersigned hereby attests that to the best of his or her knowledge the information presented herein, including the attachments, is true and correct.

Date: 7-21-21

Signature of Authorized Representative

Name: Rawley Van Fossen

Title: Executive Director, Capital Area Housing Partnership

Manager and General Partner, 1900 S Cedar Development, LLC

**MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES, AND LAND DEVELOPMENT BUREAU**

Date Received			(FOR BUREAU USE ONLY)
JUN 20 2019			
Name THOMAS L. LAPKA Address 605 S. CAPITOL AVE City State Zip Code LANSING MICHIGAN 48933			
			TranInfo:1 23730027-2 06/18/19 Chk#: 11329 Amt: \$10.00 ID: MALLORY LAPKA SCOTT & SELIN PLLC FILED EFFECTIVE DATE: JUN 21 2019

Document will be returned to the name and address you enter above

CERTIFICATE OF LIMITED PARTNERSHIP

For use by Domestic Limited Partnership

(Please read information and instructions on the last page)

ADMINISTRATOR
CORPORATIONS DIVISION

Pursuant to the provisions of Act 213, Public Acts of 1982, the undersigned person(s) execute the following Certificate:

Section 1

The name of the limited partner is:

WALTER FRENCH LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

Section 2

The general character of its business is: The purpose of the Partnership is to acquire, construct, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with the Project in accordance with the Project Documents, any applicable Regulations and provisions of the Partnership Agreement. The Partnership has been organized exclusively to provide housing facilities for families of low and moderate income, or for persons whose income does not exceed limits established in Act No, 346 of Public Acts of 1966 of the State of Michigan, as amended, (the "Housing Act") and Section 42 of the Internal Revenue Code of 1986, as amended, and for social, recreational, commercial and communal facilities as may be necessary to serve and improve a residential area in which Authority-aided or federally-aided housing is located or is planned to be located, thereby, enhancing the viability of the housing. The Partnership shall not engage in any other business or activity.

Section 3

- a. The address of the office at which the limited partnership records are kept is: **600 W. Maple, Ste D., Lansing MI 48906**
- b. The name of the agent for service of process is: **Rawley Van Fossen**
- c. The address of the agent for service is: **600 West Maple, Suite D, Lansing MI 48906**

Section 4

The power of a limited partner to grant the right to become a limited partner to an assignee of any part of the partnership interest, and the terms and conditions of the power, are as follows:

Upon the admission of the Investor Limited Partner to the Partnership the Initial Limited Partner shall withdraw and it shall have no further interest in the Partnership except to the extent of its interest as a General Partner. No Limited Partner's interest may be sold.

Section 5

- a. Describe the times or events when a **general partner** may terminate membership in the limited partnership, and the

terms and conditions of the termination.

If there is only one General Partner, it shall not have the right to retire or withdraw voluntarily from the Partnership without the prior written consent of the Limited Partners. If there is more than one General partner, it shall have the right to retire or voluntarily withdraw from the Partnership with the prior written consent of all other General Partners, provided that the Partnership has received an opinion of counsel (which counsel may be counsel to the Partnership) to the effect that the withdrawal will not affect the classification of the Partnership as a partnership by the Internal Revenue Service under the Code, Treasury Regulations thereunder or administrative guidelines or interpretations related thereto.

b. Describe the times or events when a **limited partner** may terminate membership in the limited partnership. Include the amount or method of determining any distribution the limited partner is entitled to receive upon termination of their membership.

A Limited Partner may terminate membership in the event of termination and dissolution of the Partnership pursuant to Article VII of the Partnership Agreement. A Limited Partner shall have the right to withdraw its capital account upon the termination of the Partnership as provided in the Partnership Agreement; provided, however, that no part of the capital account of any Limited partner shall withdraw unless all liabilities of the Partnership, except liabilities to Partners on account of their contributions have been paid to or unless the Partnership has the assets sufficient to pay them. Upon termination and dissolution of the Partnership, the then General Partners or General Partner shall proceed to the liquidation of the Partnership, and the proceeds of such liquidation shall be applied and distributed in accordance with the provisions of the Article VIII of the Partnership Agreement.

Section 6

The right of the limited partner to receive distributions of property, including cash, from the limited partnership, other than indicated in 5(b), is:

Distributions to the Limited Partnership(s) from cash flow shall be made in accordance with their respective capital accounts. The net cash proceeds resulting from the refinancing of any mortgage on, or sale, exchange, condemnation (or similar eminent taking), casualty or other disposition of all or any substantial part of the Partnership property or from the liquidation of the Property of the Partnership following a dissolution of the Partnership, shall be distributed and applied as set forth in the Partnership Agreement.

Section 7

The right of the limited partner to receive, or a general partner to make to a limited partner, distributions of property, which include a return of all or any part of the limited partner's contribution, other than indicated in 5(b), is:

None.

Section 8

The times or events at which the limited partnership is to be dissolved and its affairs wound up are:

The term of the Partnership shall be until December 31, 2075, unless the Partnership shall terminate upon the happening of any of the following events:

1. The bankruptcy, death, dissolution or adjudication or incompetence of a sole General Partner, subject to the Partnership Agreement;
2. The satisfaction of payment of an amount due to the Partnership pursuant to the sale of the last remaining Partnership asset;
3. The election by the General Partner pursuant to the Partnership Agreement;
4. The happening of any other event causing the dissolution of the Partnership under the laws of the State of Michigan and not otherwise addressed specifically on this Agreement.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution, but the Partnership shall not terminate until the Partnership's certificate of limited partnership shall have been cancelled and the assets of the Partnership have been distributed as provided herein. Notwithstanding the dissolution of the Partnership, prior to the termination of the Partnership, the business of the Partnership and the affairs of the Partners, as such, shall continue to be governed by this Agreement.

Section 9

The right of the remaining general partner(s) to continue the business upon the event of withdrawal of a general partner is:

In the event of death, dissolution, retirement or adjudication of bankruptcy, or incompetency (hereinafter collectively referred to as "an event of termination") of any General Partner, the Partnership shall dissolve unless if at the time of the event termination, there is at least one other General Partner, then the remaining General Partner(s) shall continue the business of the partnership and shall give notification to the Limited Partners and make and file those amendments necessary to reflect the termination of the General Partner.

Section 10

Enter any other matters the partners may desire to include. If additional space is required, attach Supplement O. Attached are 0 page(s) of Supplement O.

Michigan State Housing Development Authority Provisions

1. **Supervision of Authority.** Notwithstanding any other provisions of this Agreement, the operations of the Partnership may be supervised by the Authority or by any other governmental body as the Authority directs and the Partnership shall enter into agreements with the Authority or with the governmental body as the Authority from time to time requires. The Agreements shall provide for regulation by the Authority or the governmental body of the planning, development and management of the housing development undertaken by the Partnership and the disposition of the property and franchises of the Partnership.
2. **Right to Appoint Managing Agent.** The Authority shall have the power to appoint a managing agent of the Partnership and its members, who may be an officer, employee, or agent of the Authority, and such managing agent shall have complete power to act as agent and attorney-in-fact for the Partnership and its members, in connection with any assets or liability of the Partnership, to fulfill any obligations the Partnership may have to the Authority if:
 - (a) The Partnership has received a loan or advance as provided in Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Housing Act") and the Authority determines that the loan or advance is in jeopardy of not being repaid.
 - (b) The Partnership has received a loan or advance as provided for in the Housing Act and the Authority determines that the proposed housing development for which the loan or advance was made is in jeopardy of not being constructed.
 - (c) The Authority determines that some part of the net income or net earnings of the Partnership, in excess of that permitted by other provisions of the Housing Act, shall inure to the benefit of any private individual, firm, corporation, partnership, trust or association.
 - (d) The Authority determines that the Partnership is in violation of any agreements entered into with the Authority providing for regulation by the Authority of the planning, development and management of any housing development undertaken by the Partnership or the disposition of the property and franchises of such Partnership.
 - (e) The Authority determines that the Partnership is in violation of its rules as promulgated under Section 22 of the Housing Act.
3. **Return.** By acceptance of a beneficial interest in said Partnership or by executing this Agreement, every member of the Partnership shall be deemed to have agreed that he, she or it at no time shall receive from the Partnership, any return in excess of the face value of the investment attributable to his, her or its respective interest plus cumulative dividend payments at a rate as the Authority determines to be reasonable and proper, computed from the initial date on which money was paid or property delivered in consideration for the interest, and that upon the dissolution of the Partnership, any surplus in excess of such amounts shall be paid to the Authority or to any other regulating governmental body as the Authority directs. As used in this paragraph, "surplus" shall not be deemed to include any increase in assets of the Partnership by reason of reduction of a mortgage, by amortization or similar payments or realized from the sale or disposition of any assets of the Partnership to the extent such surplus can be attributed to any increase in market value of any real property or tangible personal property occurring during the period the assets were owned and held by the Partnership. Any payment to a person having a beneficial interest in the Partnership shall not be deemed a "return" to such person if the funds with which such payment is made are funds contributed to the Partnership by persons purchasing a beneficial interest in the Partnership.
4. **Authority's Reliance on Continuing Effect of Provisions.** Notwithstanding any other provisions of this Agreement,

the Partners of the Partnership agree that the Authority may rely upon the continuing effect of this Agreement in form as approved by the Authority and, by the execution of this Agreement, such Partners agree not to amend, alter or change the provisions of this Agreement without the prior written consent of an Authorized Officer of the Authority.

Except as otherwise defined, all capitalized words and phrases used in this certificate of Limited Partnership (other than the full names and addresses of the Partners and governmental subdivisions and agencies) shall have the meanings set forth in the Partnership Agreement.

The responses to Section 4 through 9 above are all subject to the specific terms of the Partnership Agreement which is on file in the office of the Partnership.

Section 11

Complete one section for each partner (general and limited). General partners must be listed first followed by limited partners.

Item 1 - The type of partner must be either general or limited. The Certificate must include a definition of the title of the classification for any partner identified as other than general or limited.

Item 2 - Partner names of individuals must appear in the last name, first name, middle initial sequence. Partner names of trusts should be the trust name excluding the name of the trustee or trustees.

Item 3 - Indicate the business or residence address of the partner. The address should include the street number and name, city, state and ZIP code.

ITEMS 4 & 5 - LIMITED PARTNERS ONLY - ONE OR BOTH MUST BE COMPLETED

Item 4 - If applicable, indicate the amount of cash previously contributed. If contributions have been made in the form of property or services, indicate the agreed dollar value of the contribution in the "other \$ _____" space and complete Item 6.

Item 5 - If applicable, indicate the amount of cash to be contributed in the future and complete Item 7. If there are future contributions in the form of property or services, indicate the agreed dollar value of the contribution in the "other \$ _____" space and complete Items 6 and 7.

Item 8 - This certificate must be signed and dated by all partners (general and limited) named in the certificate. A partner may sign by attorney in fact.

Name of person or organization remitting fees:

MALLORY, LAPKA, SCOTT & SELIN, PLLC

Preparer's name and business telephone number:

Thomas L. Lapka

(517) 482-0222

SUPPLEMENT P

(This form replaces former Supplements P and L)
(Please read instructions on reverse side before completing form)

Limited Partnership Name: WALTER FRENCH LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

Supplement to: Certificate of Limited Partnership

1. Type of Partner ☒ General ☐ Limited	2. Partner Name: 1900 Cedar Development, LLC
3. Address (No., Street, City, State, ZIP Code) 600 West Maple, Suite D, Lansing MI 48906	
4. Contributions Previously Made (Limited Partners Only) Cash \$ _____ Other \$ _____	5. Future Contributions to be Made (Limited Partners Only) Cash \$ _____ Other \$ _____
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed) NONE	
7. Times or Event Requiring Future Contributions: (Cash, Property or Services) NONE	
8. Signature: By: Capital Area Housing Partnership, its sole member By:  Rawley Van Fossen, Executive Director	
1. Type of Partner ☐ General ☒ Limited	2. Partner Name: Capital Area Housing Partnership
3. Address (No., Street, City, State, ZIP Code) 600 West Maple, Suite D, Lansing MI 48906	
4. Contributions Previously Made (Limited Partners Only) Cash \$ <u>10.00</u> Other \$ _____	5. Future Contributions to be Made (Limited Partners Only) Cash \$ _____ Other \$ _____
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed) NONE	
7. Times or Event Requiring Future Contributions: (Cash, Property or Services) NONE	
8. Signature:  Rawley Van Fossen, Executive Director	
9. Date: May 1, 2019	

Walter French



76 Residential Rental Units Adaptive Re-Use of Walter French Academy Lansing, Michigan November 2, 2020

EXECUTIVE SUMMARY

Project Type:	The adaptive re-use of this building will include residential housing, with target clientele to include seniors, families and persons with special needs. Spaces previously used as the gym and auditorium will be renovated for non-housing use.
Owner:	Limited Partnership: Walter French LDHA LP General Partner: 1900 Cedar Development, LLC
Location:	1900 S Cedar, Lansing, MI 48910 The development is located on the very visible corner of Mt. Hope/Cedar in Lansing.
Building Description:	The property was built as the Walter French Junior High School in 1925. In 2014 it was included in National Register of Historic Places for both its distinctive architectural characteristics and its significant contribution to the broad patterns of history. It is a three-story brick building that sustained interior fire damage in 2016 and 2019. The building currently retains much of the configuration of the school it was designed as. The Capital Area Housing Partnership is working with the Lansing Board of Water & Light to include Walter French in a demonstration program for power generation as a part of the adaptive reuse of this building.

Rental Unit Mix:	<u>Unit Type</u>	<u>Percent of</u>	<u>9%</u>	<u>4%</u>	<u>Rents per</u>
	<u>Bedrooms</u>	<u>Median</u>	<u>Units</u>	<u>Units</u>	<u>Month</u>
	1 Bedroom	30% - 120%	27	12	\$344-\$747
	2 Bedroom	30% - 120%	20	11	\$411-\$901
	3 Bedroom	30% - 80%	5	1	\$665-\$1,142
			52	24	

PROPOSED DEVELOPMENT TEAM

Outlined below are the team members assembled to develop, design, construct, manage and finance this mixed use development.

Owner:	Walter French LDHA LP
General Partners:	1900 Cedar Development, LLC
Developers:	Capital Area Housing Partnership Rawley Van Fossen, Executive Director Mikki Droste, Consultant
Architect:	Quinn Evans Ann Dilcher, AIA, LEED AP, Principal
General Contractor:	Rohde Construction Chad White, Vice President
Property Management:	Continental Management Gary Offenbacher, Executive Vice President
LIHTC Syndicator:	Cinnaire Tom Edmiston, Sr. Vice President
Historic Tax Credit Syndicator:	Cinnaire Tom Edmiston, Sr. Vice President
Lender:	MSHDA/TBD
FHLB Member Bank:	TBD
Legal Counsel:	Mallory, Lapka, Scott & Selin Thomas L Lapka
Title Insurance:	Cinnaire Title Services Steve Smith, Executive Director
Environmental Services:	PM Environmental & Engineering Services Jaclyn Schafer, Regional Manager
Support Service Providers:	Advent Housing Clinton, Eaton, Ingham Community Mental Health
Other Financing/Partners:	City of Lansing, Development Partner Investment/LEAP (EPA grant for Phase I) Lansing Board of Water & Light Lansing Housing Commission (Rent vouchers)

DEVELOPMENT SUMMARY

Capital Area Housing Partnership intends to redevelop the now vacant and underutilized property located at 1900 South Cedar in Lansing. The development will include the historic restoration and adaptive reuse of the existing school adding 76 affordable housing units in the space previously used as classroom/office space. The proposed unit mix includes 46 one-bedroom, 24 two-bedroom and 6 three-bedroom units. 8 units will meet barrier free standards. Nineteen units will be reserved for persons of the highest need in the area and supportive services provided via partnerships with Advent Housing, CMH and other area providers.

Energy efficiency and green design are planned. A partnership with the Lansing Board of Water & Light will provide power generation on the site that will increase affordability of both the development and the ongoing operations of the building.

The walk-score rating for the site is 70, labeling it 'very walkable' and the site is within ¼ mile of an 80 walkscore as required to achieve maximum scoring. Shopping, entertainment, schools, parks and medical facilities are within 1 mile of the property, increasing its desirability for residential tenants.

Common/Community/Commercial use of the previous gyms, auditorium and cafeteria is in the design phase with ongoing conversations with BWL and several mid-Michigan community service agencies in need of collaboration and office space.

General Partners, 1900 Cedar Development LLC and Capital Area Housing Partnership bring a long history of affordable housing development, management and community collaboration.

1900 Cedar Development, LLC/Capital Area Housing Partnership is a nonprofit Community Housing Development Organization (CHDO) and a Community Based Development Organization (CBDO) that has been providing affordable housing opportunities for 26 years in mid-Michigan, including the LIHTC funded Deerpath Apartments, Marsh Point Apartments, Bailey Center in East Lansing and is in the process of completing the renovation of Walnut Manor, extending the life of 32 affordable/permanent supportive housing units. A strong understanding of federal funding regulations and a staff and board with development, property management and compliance experience will be valuable to the development and ongoing prosperity of this project.

Additional programs offered by the Capital Area Housing Partnership in the mid-Michigan market include home-buyer assistance (down payment and rehabilitation), home-owner rehabilitation, development of affordable single-family housing for home-owners, education and counseling for home-buyers and an employee down payment assistance program administered for progressive local employers.

ECONOMIC IMPACT – JOB CREATION

The economic impact of building new housing, according to an April 2015 report from the Housing Policy Department National Home Builders Association in the report named “The Economic Impact of Home Building in a Typical Local Area”, is listed below.

Using the below computations, the estimated one-year impact, or short term job creation for Walter French will be 116 local jobs. Annually recurring impacts, or long-term job creation equals 32 local jobs.

Multifamily Construction

The estimated one-year impacts of building 100 rental apartments in a typical local area include

- *\$11.7 million in local income,*
- *\$2.2 million in taxes and other revenue for local governments, and*
- *161 local jobs.*

These are local impacts, representing income and jobs for residents of the typical metropolitan area or nonmetropolitan county, and revenue for all jurisdictions within the local area. They are also one-year impacts that include both the direct and indirect impact of the construction activity itself, and the impact of local residents who earn money from the construction activity spending part of it within the local area's economy.

The additional, annually recurring impacts of building 100 rental apartments in a typical local area include

- *\$2.6 million in local income,*
- *\$503,000 in taxes and other revenue for local governments, and*
- *44 local jobs.*

These are ongoing, annual local impacts that result from the new apartments becoming occupied, and the occupants paying taxes and otherwise participating in the local economy year after year. They also represent impacts that have been reduced to account for the natural vacancy rate that tends to prevail in multifamily properties (see page 23 of the Technical Documentation).

The full report can be found at:

https://www.nahbclassic.org/fileUpload_details.aspx?contentTypeID=3&contentID=243689&subContentID=645614&channelID=311

Issued Through:
CINNAIRE TITLE SERVICES, LLC
1118 S. Washington
Lansing, MI 48910
517-482-8555

Legal Description

Agents for: **OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY**

ALTA COMMITMENT

SCHEDULE A

COMMITMENT NO. 702827a

1. Effective Date: **February 21, 2020, AT 8:00 am**
2. Policy or policies to be issued: AMOUNT
 - (a) **OWNERS POLICY** **\$21,000,000.00**
Proposed Insured:
Walter French Limited Dividend Housing Association Limited Partnership
 - (b) **MORTGAGEE POLICY** **(W/O STD. EXCEPTIONS)**
Proposed Insured:
3. The estate or interest in the land described or referred to in this Commitment and covered herein is **Fee Simple** and title thereto is at the effective date hereof vested in:

Capital Area Housing Partnership
4. The land referred to in this commitment is situated in the County of Ingham, State of Michigan, is described as follows:

Parcel 1:

That part of Assessor's Plat No. 46, on Northeast 1/4 of Section 28, T4N, R2W, City of Lansing, Ingham County, Michigan, recorded in Liber 12 of Plats, Page 7, Ingham County Records, beginning on the South Right of Way line of Mt. Hope Avenue, 43.0 feet South of the North Section line, at a point 100.0 feet Easterly of the West line of Lot 5 of said Assessor's Plat No. 46, running thence along said right of way line North 89°11'30" East 593.67 feet to a point of curvature; thence Southeasterly 53.53 feet along the arc of a 30 foot radius curve to the right whose chord bears South 39°41'30" East 46.71 feet to the Westerly right of way line of Cedar Street; thence along said Westerly line the following five courses, South 11°25'30" West 118.66 feet; thence Southerly 197.93 feet along the arc of a 917.22 foot radius curve to the left whose chord bears South 5°14'25" West 197.53 feet to a point of tangency; thence South 0°56'30" East 5.43 feet; thence South 10°34'39" West 22.18 feet; thence South 0°56'30" East 83.05 feet; thence South 89°08' West 403.42 feet; thence South 350.30 feet; thence West 268.84 feet; thence North 648.14 feet; thence North 89°11'30" East 100.0 feet; thence North 0°53' West 162.0 feet to the point of beginning.

Address:

1900 S. Cedar St, Lansing, MI 48910

Parcel 2:

Lot 57, Chittenden's Subdivision City of Lansing, according to the recorded plat thereof, Ingham County Records.

This commitment valid and binding for a period of 90 days from the date hereof. Thereafter it is void and of no effect.
SCHEDULE A of this commitment--Page 1

QUIT CLAIM DEED

Louis J. Eyde Family, LLC, a Michigan limited liability company, successor by conversion to Louis J. Eyde Limited Family Partnership, a Michigan limited partnership and George F. Eyde Family, LLC, a Michigan limited liability company, successor by conversion to George F. Eyde Limited Family Partnership, a Michigan limited partnership, whose address is 300 South Washington Square, Suite 400, Lansing, Michigan 48933 (collectively, "Grantor"), quit claims to CAPITAL AREA HOUSING PARTNERSHIP, a Michigan nonprofit corporation, whose address is 1290 Deerpath Lane, East Lansing, Michigan 48823 ("Grantee"), whatever right, title and interest Grantor has in and to that certain real property situated the City of Lansing, County of Ingham, State of Michigan described on Exhibit A attached hereto and made a part hereof subject to all building and use restrictions, easements and rights of way and all matters of record.

Grantor grants to Grantee the right to make 100% of remaining division(s) under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967. This property may be located within the vicinity of farmland or farm operations. 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.

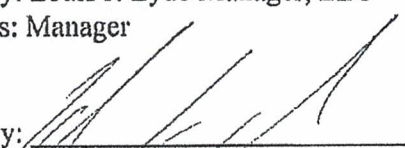
There being no consideration for this instrument, it is exempt from transfer tax under MCL 207.505(a), MCL 207.505(k), MCL 207.505(l), MCL 207.526(a), MCL 207.526(m) and MCL 207.526(n).

[Signature pages and acknowledgements follows.]

Dated as of this 27th day of December, 2017.

LOUIS J. EYDE FAMILY, LLC, a Michigan
limited liability company

By: Louis J. Eyde Manager, LLC
Its: Manager

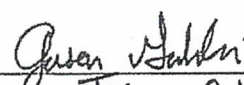
By: 
Print Name: Samuel C. Eyde,
Authorized Representative

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

⁵⁶ 2017 The foregoing instrument was acknowledged before me this 27th day of December,
~~2016~~ by Samuel C. Eyde, as Authorized* of Louis J. Eyde Manager, LLC, a Michigan limited
liability company, as manager of the Louis J. Eyde Family, LLC, a Michigan limited liability
company (the "Company") on behalf of the Company.

* representative

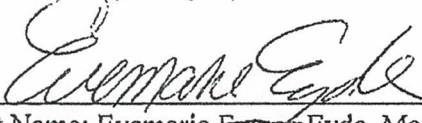
JASON GOLDIE
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF CLINTON
My Commission Expires August 30, 2022
Acting in the County of Ingham



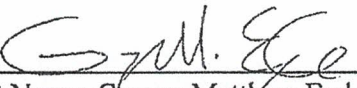
Jason Goldie
Notary Public, State of
Clinton County, Michigan
Acting in the County of Ingham
My Commission Expires: 8-30-2022

[Signature page and acknowledgement continues on next page]

GEORGE F. EYDE FAMILY, LLC, a Michigan
limited liability company

By: 
Print Name: Evemarie Francis Eyde, Manager
Francis

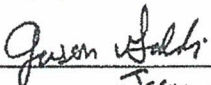
-and-

By: 
Print Name: George Matthew Eyde, Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

²⁰¹⁷ The foregoing instrument was acknowledged before me this 27th day of December,
²⁰¹⁶ by Evemarie Francis Eyde and George Matthew Eyde, as managers of the George F. Eyde
Family, LLC, a Michigan limited liability company (the "Company") on behalf of the Company.

JASON GOLDIE
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF CLINTON
My Commission Expires August 30, 2022
Acting in the County of Ingham


Jason Goldie
Notary Public, State of
Clinton County, Michigan
Acting in the County of Ingham
My Commission Expires: 8-30-2022

When Recorded Return To:	Send Subsequent Tax Bills To:	Drafted By:
Capital Area Housing Partnership 1290 Deerpath East Lansing, MI 48933 Attn: Mikki Droste	Capital Area Housing Partnership 1290 Deerpath East Lansing, MI 48933 Attn: Mikki Droste	Peter J. Kulick (P61513) 215 S. Washington Square, Suite 200 Lansing, Michigan 48933 Tel: (517) 371-1730

Exhibit A

LEGAL DESCRIPTION

The real property located in the City of Lansing, Ingham County, Michigan, legally described as follows:

PARCEL 1:

That part of Assessor's Plat No. 46, on the Northeast 1/4 of Section 28, T4N, R2W, City of Lansing, Ingham County, Michigan, recorded in Liber 12 of Plats, Page 7, Ingham County Records, beginning on the South right of way line of Mt. Hope Avenue, 43.0 feet South of the North Section line, at a point 100.0 feet Easterly of the West line of Lot 5 of said Assessor's Plat No. 46, running thence along said right of way line North 89°11'30" East 593.67 feet to a point of curvature; thence Southeasterly 53.53 feet along the arc of a 30 foot radius curve to the right whose chord bears South 39°41'30" East 46.71 feet to the Westerly right of way line of Cedar Street; thence along said Westerly line the following five courses, South 11°25'30" West 118.66 feet; thence Southerly 197.93 feet along the arc of a 917.22 foot radius curve to the left whose chord bears South 5°14'25" West 197.53 feet to a point of tangency; thence South 0°56'30" East 5.43 feet; thence South 10°34'39" West 22.18 feet; thence South 0°56'30" East 83.05 feet; thence South 89°08' West 403.42 feet; thence South 89°11'30" West 268.84 feet to the West line of said Lot, thence along said West line North 0°53' West 297.42 feet; thence North 89°11'30" East 100.0 feet; thence North 0°53' West 162.0 feet to the point of beginning; ALSO Lot 65 of Chittenden's Subdivision of a part of the Northwest 1/4 of the Northeast 1/4 of Section 28, T4N, R2W, City of Lansing, Ingham County, Michigan, recorded in Liber 5 of Plats, Page 7, Ingham County Records. Contains 7.03 Acres.

PARCEL 2:

Lot 57, Chittenden's Subdivision of a part of Northwest 1/4 of Northeast 1/4 of Section 28, Town 4 North, Range 2 West, City of Lansing, Ingham County, Michigan, also commencing at a point 100.00 feet East and 469.70 feet South of Southeast corner of Teel Avenue and Mt. Hope Avenue, Lansing and running thence East 268.84 feet; thence South 350.30 feet, more or less, to the South line of Lot 5 of Assessor's Plat No. 46, Lansing; thence West 268.84 feet and thence North 350.30 feet, more or less to the place of beginning, being a part of Lot 5 of Assessor's Plat No. 46 on the Northeast 1/4 of Section 28, Town 4 North, Range 2 West, City of Lansing, Ingham County, Michigan.

Parcel ID: _____ (Parcel 1)

Parcel ID: _____ (Parcel 2)

Street Address: 1900 S. Cedar Street, Lansing, Michigan 48910 (Parcel 1)

Street Address: 8 Teel Court, Lansing, Michigan 48910 (Parcel 2)

LANSING 528830

Walter French Academy Historic Rehab
52 Unit PSH Development

90%

UNIT DESCRIPTION	Income Target (AMI)	# of Bedrooms	# of Units	Utility Allowance	Net Rent	Gross Rent	Monthly Rent	Annual Rent	
One Bedroom LHC	30%	1	3	74	720	794	2,160	25,920	0.90
One Bedroom PSH	60%	1	12	74	720	794	8,640	103,680	7.20
One Bedroom	40%	1	3	74	720	794	2,160	25,920	1.20
One Bedroom	40%	1		74	528	602	-	-	
One Bedroom	50%	1		74	678	752	-	-	
One Bedroom	60%	1	2	74	739	813	1,478	17,736	1.20
One Bedroom	80%	1	7	74	949	1,023	6,643	79,716	5.60
Two Bedroom LHC	30%	2	6	90	892	982	5,352	64,224	1.80
Two Bedroom PSH	60%	2	7	90	892	982	6,244	74,928	4.20
Two Bedroom LHC	40%	2	1	90	892	982	892	10,704	0.40
Two Bedroom	40%	2		90	632	722	-	-	
Two Bedroom	50%	2		90	812	902	-	-	
Two Bedroom	60%	2	1	90	885	975	885	10,620	0.60
Two Bedroom	80%	2	5	90	1,137	1,227	5,685	68,220	4.00
Three Bedroom LHC	30%	3	4	108	1,176	1,284	4,704	56,448	1.20
Three Bedroom PSH	60%	3		108	1,176	1,284	-	-	
Three Bedroom	40%	3		108	726	834	-	-	
Three Bedroom	50%	3		108	935	1,043	-	-	
Three Bedroom	60%	3		108	1,018	1,126	-	-	
Three Bedroom	80%	3	1	108	1,311	1,419	1,311	15,732	0.80
52							46,154	553,848	29.10

Bedrooms -

30% Area Median Income
40% AMI
50% AMI
60% AMI
80% AMI

MAX County Rent 04/1/20			
1	2	3	Voucher Rents
451	541	625	794
602	722	834	982
752	902	1,043	1,284
903	1,083	1,251	
1,204	1,444	1,669	

Family Size -

30% Area Median Income
40% AMI
50% AMI
60% AMI
80% AMI

Income Limits - 04/1/20				
1	2	3	4	5
16,860	19,260	21,660	24,060	26,010
22,480	25,680	28,880	32,080	34,680
28,100	32,100	36,100	40,100	43,350
337,250	38,520	43,320	48,120	52,020
44,960	51,360	57,760	64,160	69,360

Bedrooms -

Heating - Gas
Cooking - Gas
Hot Water - Gas
Electricity
Service Charge - Gas
Service Charge - Electric
Total

Utility Allowance - MSHDA 1/1/20			
0	1	2	3
	20.00	23.00	27.00
	2.00	3.00	4.00
	5.00	7.00	10.00
	26.00	36.00	46.00
	12.00	12.00	12.00
	9.00	9.00	9.00
-	74.00	90.00	108.00

	# of Units	% of Units	AMI	Points
30% units	13	33.33%	30%	23.33
40% units	4	10.26%	40%	4.10
50% units			50%	-
60% units	3	7.69%	60%	
60% - PSH Units	19	48.72%	80%	
Market	39	100%		27.44

Walter French Academy Historic Rehab
52 Unit PSH Development

	Total	Per Unit	24 units 4%	Total
Audit Fees	4,968		2,232	7,200
Accounting	276		124	400
Legal	828		372	1,200
Total Professional Fees	6,072	117		
Office Expenses	8,280		3,720	12,000
Leasing Agent Expense	37,950		17,050	55,000
Total Administrative	46,230	889		
Electricity	20,000		5,940	24,000
Water/Sewer	42,780		16,500	62,000
PSH Utilites	39,798			39,798
Gas/Heat	12,000		-	12,000
Total Utilities	114,578	2,203		
Maintenance	27,600		12,400	40,000
Janitorial Supplies & Salaries	10,350		4,650	15,000
Maintenance supplies	8,280		3,720	12,000
Repair Contracts/Work	5,175		2,325	7,500
Exterminating	2,208		992	3,200
Rubbish Removal	5,106		2,273	7,400
Security	828		372	1,200
Grounds Maintenance	5,106		2,294	7,400
Snow Removal	6,900		3,100	10,000
	71,553	1,376		
MSA				
PILOT	24,577		11,533	36,110
Insurance	20,368		10,032	30,400
Replacement Reserves	19,500		9,000	28,500
Total Escrows	64,445	1,239		
Total Marketing and Leasing	1,608	31	792	2,400
Total Property Management Fee	27,768	534	12,816	40,584
Other -	-			
Other - Investor services fee	4,500		3,500	10,000
Total Other Fees	4,500	87		
Misc. Expense -				
Misc. Expense				
Total Miscellaneous Expenses	-			
Total Operating Expenses/Unit	336,754	6,476	125,737 5,239	465,292 6,122

Total Rent Potential	553,848
Less Vacancy	(38,769)
Less Utilities	(114,578)
Net Collected Rents	400,501
PILOT %	6%
PILOT %	24,030

Walter French Academy Historic Rehab
52 Unit PSH Development

SOURCES OF FUNDS	Rate	Term	Proposed Amount		
1st Mortgage	4.82000%	12,470	40	2,651,372	
LP Capital Contribution	120.0%	9.00%	0.8700	13,048,695	
HOME MSHDA	1,500,000			-	
City					
Historic Credits	1,961,627		0.8700	1,706,615	
Owner investment					
Deferred Developer Fees				88	
TOTAL SOURCES OF FUNDS				17,406,770	
Funding Surplus<Gap>:				(0)	0.0%

APPLICATION OF FUNDS	Per Unit	Total Residential	9.00%	Historic Basis	Non-depr
ACQUISITION COSTS					
Land Purchase - Vacant	-	-	-	-	-
Demo	-	-	-	-	-
Subtotal	-	-	-	-	-
CONSTRUCTION/REHABILITATION COSTS					
Site work	52	13,942	725,000	225,000	500,000
New structures		196,650	10,225,800	10,225,800	5,750,000
General requirements		11,969	622,366	622,366	424,999
Builder overhead		4,229	219,903	219,903	150,166
Builder profit		12,940	672,902	672,902	459,509
Building Permits		345	17,940	17,940	17,940
Bond Premium		464	24,150	24,150	24,150
Tap Fees		2,017	104,880	104,880	-
Gym and Auditorium		-	-	-	-
Cost Certification		113	5,865	5,865	4,800
Subtotal		242,669	12,618,806	12,118,806	6,936,444
Construction Contingency	8.00%	23,914	1,243,505	1,243,505	693,644
Cost increases needed	0.00%	-	-	-	-
Subtotal		266,583	13,862,311	13,362,311	7,630,088
PROFESSIONAL FEES & OTHER SOFT COSTS					
Design Architect		10,923	568,000	568,000	568,000
Engineering		796	41,400	41,400	41,400
Soil Borings/Geotechnical/Soils Engineering		106	5,520	5,520	5,520
Environmental Study		159	8,280	8,280	8,280
Survey (Boundary/Topo/As-Built)		80	4,140	4,140	4,140
Hazard Insurance		239	12,420	12,420	-
Property Taxes		796	41,400	41,400	-
Market Study		166	8,625	8,625	-
Accounting/Audit		152	7,925	7,925	7,925
Appraisal		80	4,140	4,140	-
Cost Certification		106	5,520	5,520	5,520
Real Estate Attorney		796	41,400	41,400	41,400
Furniture, Furnishings & Equipment		1,592	82,800	82,800	-
Developer Fees		28,846	1,500,000	1,500,000	1,500,000
Subtotal		44,838	2,331,570	2,331,570	2,178,045
FINANCING COSTS					
Construction Loan Interest		8,115	422,000	372,000	50,000
Title Insurance		332	17,250	17,250	-
Loan Fees		385	20,000	9,000	11,000
Lender Loan & Legal Fees		398	20,700	18,000	2,700
Subtotal		9,230	479,950	416,250	63,700
TAX CREDIT & SYNDICATION COSTS					
Tax Credit Fees - MSHDA - 6%		1,746	90,805	-	90,805
Tax Credit Fees - MSHDA - Application		48	2,500	-	2,500
Compliance Fees		694	36,100	-	36,100
Syndication Fee		385	20,000	-	20,000
Supervising Architect		154	8,000	8,000	-
Subtotal		3,027	157,405	8,000	149,405
START-UP COSTS, RESERVES & ESCROWS					
Marketing/Rent-Up Expenses		780	40,534	-	40,534
Rent Up Reserve		-	-	-	-
Operating Assurance Reserves	Months -	6.07	5,385	280,000	280,000
Other Reserve: Support Services		4,904	255,000	-	255,000
Subtotal		11,068	575,534	-	575,534
TOTAL APPLICATION OF FUNDS		334,746	17,406,770	16,118,131	9,808,133
			15,906,770	16,118,131	1,885,821
			Historic Basis	(1,961,627)	20%
				14,156,505	1,961,627
			Boost	120.0%	356,919
				16,987,805	3,462,113

Walter French Academy Historic Rehab
52 Unit PSH Development

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	
Rent	102%	553,848	564,925	576,223	587,748	599,503	611,493	623,723	636,197	648,921	661,900	675,138	688,640	702,413	716,461	730,791
Vacancy	7%	38,769	39,545	40,336	41,142	41,965	42,805	43,661	44,534	45,424	46,333	47,260	48,205	49,169	50,152	51,155
Net Rent		515,079	525,380	535,888	546,606	557,538	568,688	580,062	591,663	603,497	615,567	627,878	640,436	653,244	666,309	679,635
Accounting & Audit	103%	5,244	5,401	5,563	5,730	5,902	6,079	6,262	6,449	6,643	6,842	7,047	7,259	7,477	7,701	7,932
Legal	103%	828	853	878	905	932	960	989	1,018	1,049	1,080	1,113	1,146	1,181	1,216	1,252
Administrative Expenses	103%	46,230	47,617	49,045	50,517	52,032	53,593	55,201	56,857	58,563	60,320	62,129	63,993	65,913	67,890	69,927
Utilities	103%	114,578	118,015	121,556	125,202	128,959	132,827	136,812	140,916	145,144	149,498	153,983	158,603	163,361	168,262	173,310
Maintenance	103%	71,553	73,700	75,911	78,188	80,534	82,950	85,438	88,001	90,641	93,360	96,161	99,046	102,017	105,078	108,230
PILOT		24,030	24,442	24,860	25,284	25,715	26,152	26,595	27,045	27,501	27,964	28,434	28,910	29,393	29,883	30,380
Insurance	103%	20,368	20,979	21,608	22,257	22,924	23,612	24,320	25,050	25,802	26,576	27,373	28,194	29,040	29,911	30,808
Replacement Reserves	100%	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Marketing & Leasing	103%	1,608	1,656	1,706	1,757	1,810	1,864	1,920	1,978	2,037	2,098	2,161	2,226	2,293	2,361	2,432
Property Management	103%	27,768	28,601	29,459	30,343	31,253	32,191	33,156	34,151	35,176	36,231	37,318	38,437	39,591	40,778	42,002
Investor Services Fee	103%	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871	6,048	6,229	6,416	6,608	6,807
Total Expenses		336,207	345,399	354,861	364,600	374,625	384,945	395,567	406,501	417,756	429,341	441,267	453,543	466,180	479,189	492,580
NOI		178,872	179,981	181,027	182,005	182,912	183,744	184,496	185,163	185,741	186,225	186,611	186,892	187,064	187,120	187,056
Funding from ODR																
Total Cash Available		178,872	179,981	181,027	182,005	182,912	183,744	184,496	185,163	185,741	186,225	186,611	186,892	187,064	187,120	187,056
Loan Payment		(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)	(149,644)
Net Cash to Partnership		29,227	30,337	31,382	32,361	33,268	34,099	34,851	35,518	36,097	36,581	36,966	37,248	37,419	37,476	37,411
DCR		1.20	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.24	1.24	1.25	1.25	1.25	1.25	1.25
Loan Amount/Def Dev Fee	88	29,315	29,315	59,652	91,034	123,395	156,663	190,763	225,614	261,132	297,229	333,810	370,776	408,024	445,443	482,919
Interest Expense	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment Amount		29,227	30,337	31,382	32,361	33,268	34,099	34,851	35,518	36,097	36,581	36,966	37,248	37,419	37,476	37,411
Loan Balance		29,315	59,652	91,034	123,395	156,663	190,763	225,614	261,132	297,229	333,810	370,776	408,024	445,443	482,919	520,330
Operating Assurance Reserves		280,000	282,800	285,628	288,484	291,369	294,283	297,226	300,198	303,200	306,232	309,294	312,387	315,511	318,666	321,853
Interest Earned	1.00%	2,800	2,828	2,856	2,885	2,914	2,943	2,972	3,002	3,032	3,062	3,093	3,124	3,155	3,187	3,219
Amount Used		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance Forward		282,800	285,628	288,484	291,369	294,283	297,226	300,198	303,200	306,232	309,294	312,387	315,511	318,666	321,853	325,071
Cash Flow to LP if of Project		29,227	59,564	90,946	123,307	156,575	190,674	225,526	261,044	297,141	333,722	370,688	407,936	445,355	482,831	520,242

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Instructions

TOTAL DEVELOPMENT COSTS

	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis	OAR Funded	OAR
Acquisition											Yr 1	4 Month OAR
Land	0	0	0%	0	0	0	0	0%	0	0	111,983	79,988
Existing Buildings	0	0	100%	0	0	0	0	0%	0	0		
Other:	0	0	0%	0	0	0	0	0%	0	0		
Subtotal	0	0				0	0					
Construction/Rehabilitation												
Off Site Improvements	0	0	100%	0	0	0	0	0%	0	0		
On-site Improvements	0	0	100%	0	0	0	0	0%	0	0		
Landscaping and Irrigation	0	0	100%	0	0	0	0	0%	0	0		
Structures	175,000	4,200,000	100%	0	4,200,000	0	0	0%	0	0		
Community Building and/or Maintenance Facility	0	0	100%	0	0	0	0	0%	0	0		
Construction not in Tax Credit Basis (i.e. Corporate and Commercial Space)	0	0	0%	0	0	0	0	0%	0	0		
General Requirements	10,542	253,000	100%	253,000	253,000	0	0	0%	0	0		
% of Contract	8.02%	Within Range										
Builder Overhead	3,750	90,000	100%	90,000	90,000	0	0	0%	0	0		
% of Contract	3.02%	Within Range										
Builder Profit	11,458	275,000	100%	275,000	275,000	0	0	0%	0	0		
% of Contract	6.05%	Within Range										
Permits, Bond Premium, Tap Fees, Cost Cert.	2,881	68,665	100%	68,665	68,665	0	0	0%	0	0		
Other:	0	0	100%	0	0	0	0	0%	0	0		
Subtotal	203,611	4,896,665				0	0					
15% of acquisition and \$15,000/unit test:												
Professional Fees	4,167	100,000	100%	100,000	100,000	0	0	0%	0	0		
Design Architect Fees	103	2,480	100%	2,480	2,480	0	0	0%	0	0		
Supervisory Architect Fees	1,111	26,660	100%	26,660	26,660	0	0	0%	0	0		
Engineering/Survey	775	18,600	100%	18,600	18,600	0	0	0%	0	0		
Legal Fees	6,186	147,740	100%	147,740	147,740	0	0	0%	0	0		
Subtotal	233	5,580	100%	5,580	5,580	0	0	0%	0	0		
Interim Construction Costs												
Property & Casualty Insurance	2,142	51,401	100%	51,401	51,401	0	0	0%	0	0		
Construction Loan Interest	323	7,750	100%	7,750	7,750	0	0	0%	0	0		
Title Work	438	10,500	100%	10,500	10,500	0	0	0%	0	0		
Construction Taxes	3,135	75,231	100%	75,231	75,231	0	0	0%	0	0		
Other:	0	0	100%	0	0	0	0	0%	0	0		
Subtotal	1,817	43,600	100%	43,600	43,600	0	0	0%	0	0		
Permanent Financing												
Loan Commitment Fee to MSHDA	2%	43,600	100%	43,600	43,600	0	0	0%	0	0		
Other:	0	0	100%	0	0	0	0	0%	0	0		
Subtotal	1,817	43,600	100%	43,600	43,600	0	0	0%	0	0		
Other Costs (In Basis)												
Application Fee	0	0	100%	0	0	0	0	0%	0	0		
Market Study	161	3,875	100%	3,875	3,875	0	0	0%	0	0		
Environmental Studies	157	3,720	100%	3,720	3,720	0	0	0%	0	0		
Cost Certification	167	4,000	100%	4,000	4,000	0	0	0%	0	0		
Equipment and Furnishings	833	20,000	100%	20,000	20,000	0	0	0%	0	0		
Temporary Tenant Relocation	0	0	100%	0	0	0	0	0%	0	0		
Construction Contingency	17,500	420,000	100%	420,000	420,000	0	0	0%	0	0		
Appraisal and C.N.A.	146	3,500	100%	3,500	3,500	0	0	0%	0	0		
Other:	0	0	100%	0	0	0	0	0%	0	0		
Subtotal	18,962	455,095	100%	455,095	455,095	0	0	0%	0	0		
Other Costs (NOT in Basis)												
Startup and Organization	0	0	0%	0	0	0	0	0%	0	0		
Tax Credit Fees (based on 2017 OAP)	443	10,631	0%	0	0	0	0	0%	0	0		
Compliance Monitoring Fee (based on 2017 OAP)	475	11,400	0%	0	0	0	0	0%	0	0		
Marketing Fees	417	10,000	0%	0	0	0	0	0%	0	0		
Signage/Legal Fees	158	3,787	0%	0	0	0	0	0%	0	0		
Rent Up Allowance	0	0	0%	0	0	0	0	0%	0	0		
Other:	0	0	0%	0	0	0	0	0%	0	0		
Subtotal	1,482	35,818	0%	0	0	0	0	0%	0	0		
Summary of Acquisition Price												
Attributed to Land	0	0	0%	0	0	0	0	0%	0	0		
Attributed to Existing Structures	0	0	0%	0	0	0	0	0%	0	0		
Other:	0	0	0%	0	0	0	0	0%	0	0		
Fixed Price to Seller	0	0	0%	0	0	0	0	0%	0	0		
Premium/(Deficit) vs Existing Debt												
Value As of:												
Appraised Value												
Encumbered As-is value as determined by appraisal:												
Plus 5% of Appraised Value:												
LESS Fixed Price to the Seller:												
Surplus/(Gap)												
Eligible Basis for LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	5,138,733	125,343	100%	125,343	125,343	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3.06%	Equity Price										
Rehab/New Const Credit %	100.00%	Equity Effective Price										
QC/TDDA Basis Boost	100%	Equity Contribution										
Historic?	Yes	Yes										
Value of LIHTC/TCAP												
Acquisition	0	0	0%	0	0	0	0	0%	0	0		
Construction	157,245	157,245	100%	157,245	157,245	0	0	0%	0	0		
Acquisition Credit %	3											

Instructions

Income Limits for Ingham County (Effective April 1, 2020)					
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
16,860	19,260	21,660	24,060	26,010	27,930
22,480	25,680	28,880	32,080	34,680	37,240
28,100	32,100	36,100	40,100	43,350	46,550
33,720	38,520	43,320	48,120	52,020	55,860

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	Gross Rent	Current Section 8 Contract Rent	% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	IC Units Square Feet	Unit Type	Max Allowed Housing Expense
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
30%	2	Apartment	1	1.0	600	720	74	794	17,280	794	7.0%	8.3%	1,200	6.7%	1,200	High HOME	451
30%	1	Apartment	2	1.5	850	892	90	982	10,704	982	4.3%	4.2%	850	4.8%	850	High HOME	541
		Apartment	3	2.0	1,250	1,176	108	1,284	0	1,284	0.0%	0.0%	0	0.0%	0		N/A
A							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
B							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
C							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
D							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
E							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
F							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
G							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
H							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
I							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
J							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
									27,984	3,060	11.3%	12.5%	2,050	11.5%	2,050		
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
60%	10	Apartment	1	1.0	600	739	74	813	88,680	794	35.8%	41.7%	6,000	33.7%	6,000		903
A		Apartment	2	1.5	850	885	90	975	74,340	982	30.0%	29.2%	5,950	33.4%	5,950		1,083
B		Apartment	3	2.0	1,250	1,018	108	1,126	0	1,284	0.0%	0.0%	0	0.0%	0		1,251
C							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
D							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
E							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
F							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
G							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
H							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
I							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
J							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
									163,020	3,060	65.8%	70.8%	11,950	67.1%	11,950		
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
80%	3	Apartment	1	1.0	600	1,137	74	0	0	794	0.0%	0.0%	0	0.0%	0		N/A
A		Apartment	2	1.5	850	1,311	90	1,227	40,932	982	16.5%	12.5%	2,550	14.3%	2,550		1,444
B		Apartment	3	2.0	1,250	0	108	1,419	15,732	1,284	6.4%	4.2%	1,250	7.0%	1,250		1,669
C							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
D							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
E							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
F							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
G							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
H							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
I							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
J							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
									56,664	3,060	22.9%	16.7%	3,800	21.3%	3,800		
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
	1	Apartment	1	1.0	600	0	74	0	0	794	0.0%	0.0%	0	0.0%	0		N/A
A		Apartment	2	1.5	850	0	90	0	0	982	0.0%	0.0%	0	0.0%	0		N/A
B		Apartment	3	2.0	1,250	0	108	0	0	1,284	0.0%	0.0%	0	0.0%	0		N/A
C							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
D							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
E							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
F							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A
G							0	0	0	0	0.0%	0.0%	0	0.0%	0		N/A

D	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0.0	0	0	0	0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A

Area Median Income Units																			
Tenant AMI Restriction (if different from rent restriction)																			
MSHDA Protect Based Voucher Units																			
Occupancy																			
A	Apartment	1	1.0	600	74	0	0	794	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
B	Apartment	2	1.5	850	90	0	0	982	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
C	Apartment	3	2.0	1,250	108	0	0	1,284	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
D	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
E	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
F	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
G	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
H	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
I	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
J	0	0	0.0	0	0	0	0	0	0.0%	0.0%	0	0.0%	0	0.0%	0	N/A			
Mgrs							0	3,060	0.0%	0.0%	0	0.0%	0	0.0%	0				
Total Tenant Units				24	Gross Rent Potential				247,668				HOME Units SF/Total Units SF				17,800	Within Range	
Manager Units				0	Average Monthly Rent				860				# HOME Units/# Total Units				11.5%	Within Range	
Income Average				59.58%	Gross Square Footage				17,800								12.5%		
Set Aside				100.00%															

Utility Allowances									
Tenant-Paid	Tenant-Paid	Tenant-Paid	Owner-Paid	Water/	Sewer	Other	Total	Override	
A	B	C	D	E	F	G	H	74	20,639
250	1,500							90	146
								108	20,785

Total Income	247,668	20,639
Rental Income	1,750	146
Non-Rental Income	249,418	20,785

H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
Area Median Income Units													
Tenant AMI Restriction (if different from rent restriction)													
MSHDA Project Based Voucher Units													
Occupancy													
A	Apartment	1	1.0	600	74	0	0.0%	0	0.0%	0	0.0%	0	N/A
B	Apartment	2	1.5	850	90	0	0.0%	0	0.0%	0	0.0%	0	N/A
C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
Area Median Income Units													
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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C	Apartment	3	2.0	1,250	108	0	0.0%	0	0.0%	0	0.0%	0	N/A
D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
G	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
H	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
I	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
J	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
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D	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
E	0	0	0.0	0	0	0	0.0%	0	0.0%	0	0.0%	0	N/A
F	0	0	0.0	0	0	0	0.0%	0	0.0%				

Development Walter French 4
 Financing Tax Exempt
 MSHDA No. 3966
 Step Notice of Intent to Apply
 Date 10/26/2020
 Type Adaptive Reuse

Mortgage Assumptions:

Debt Coverage Ratio 1.1
 Mortgage Interest Rate 4.250%
 Pay Rate 4.250%
 Mortgage Term 40 years
 Income from Operations No

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	10,320	247,668
Annual Non-Rental Income	73	1,750
Total Project Revenue	10,392	249,418

Total Development Expenses

Vacancy Loss	7.00%	of annual rent potential	722	17,337
Management Fee	534	per unit per year	534	12,816
Administration			917	22,000
Project-paid Fuel			165	3,960
Common Electricity			248	5,940
Water and Sewer			688	16,500
Operating and Maintenance			1,333	32,000
Real Estate Taxes			0	
Payment in Lieu of Taxes (PILOT)	5.66%	Applied to: All Units	481	11,543
Insurance			418	10,032
Replacement Reserve	375	per unit per year	375	9,000
Other: Marketing			33	792
Other: Investor Service			146	3,500

% of
Revenue

Total Expenses	58.30%	6,059	145,419
Base Net Operating Income		4,333	103,999
Part A Mortgage Payment	37.91%	3,939	94,544
Part A Mortgage		75,707	1,816,957
Non MSHDA Financing Mortgage Payment		0	
Non MSHDA Financing Type:		0	
Base Project Cash Flow (excludes ODR)	3.79%	394	9,454

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
2.0%	6	2.0%
2.0%	6	2.0%
Future Vacancy		
	6	7.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
3.0%	6	3.0%
3.0%	6	3.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

Override

Cash Flow Projections

	Initial Inflator	Starting in Yr	Future Inflator	11	12	13	14	15	16	17	18	19	20
Income													
Annual Rental Income	2.0%	6	2.0%	301,906	307,944	314,103	320,385	326,793	333,329	339,995	346,795	353,731	360,806
Annual Non-Rental Income	2.0%	6	2.0%	2,133	2,176	2,219	2,264	2,309	2,355	2,402	2,450	2,499	2,549
Total Project Revenue				304,039	310,120	316,322	322,649	329,102	335,684	342,397	349,245	356,230	363,355
Expenses													
Vacancy Loss	7.0%	6	7.0%	21,133	21,556	21,987	22,427	22,875	23,333	23,800	24,276	24,761	25,256
Management Fee	3.0%	1	3.0%	17,224	17,740	18,273	18,821	19,385	19,967	20,566	21,183	21,818	22,473
Administration	3.0%	1	3.0%	29,566	30,453	31,367	32,308	33,277	34,275	35,304	36,363	37,454	38,577
Project-paid Fuel	3.0%	6	3.0%	5,322	5,482	5,646	5,815	5,990	6,170	6,355	6,545	6,742	6,944
Common Electricity	3.0%	6	3.0%	7,983	8,222	8,469	8,723	8,985	9,254	9,532	9,818	10,112	10,416
Water and Sewer	3.0%	6	3.0%	22,175	22,840	23,525	24,231	24,958	25,706	26,478	27,272	28,090	28,933
Operating and Maintenance	3.0%	1	3.0%	43,005	44,295	45,624	46,993	48,403	49,855	51,351	52,891	54,478	56,112
Real Estate Taxes	5.0%	1	5.0%	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)				13,884	14,141	14,403	14,670	14,942	15,218	15,499	15,785	16,076	16,372
Insurance	3.0%	1	3.0%	13,482	13,887	14,303	14,732	15,174	15,630	16,098	16,581	17,079	17,591
Replacement Reserve	3.0%	1	3.0%	12,095	12,458	12,832	13,217	13,613	14,022	14,442	14,876	15,322	15,782
Other:	3.0%	1	3.0%	1,064	1,096	1,129	1,163	1,198	1,234	1,271	1,309	1,348	1,389
				4,704	4,845	4,990	5,140	5,294	5,453	5,616	5,785	5,959	6,137
Subtotal: Operating Expenses				191,837	197,016	202,549	208,240	214,094	220,116	226,311	232,683	239,239	245,982
Debt Service				94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544
Debt Service Part A				0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0
Total Expenses				286,181	291,560	297,093	302,784	308,639	314,661	320,855	327,228	333,783	340,526
Cash Flow/(Deficit)				17,858	18,560	19,229	19,865	20,463	21,023	21,542	22,018	22,447	22,829
Cash Flow Per Unit				744	773	801	828	853	876	898	917	935	951
Debt Coverage Ratio on Part A Loan				1.19	1.20	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.24
Debt Coverage Ratio on Conventional/Other Financing				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest Rate on Reserves	3%												
Operating Deficit Reserve (ODR) Analysis													
Maintained Debt Coverage Ratio (Hard Debt)	1.00												
Maintained Operating Reserve (No Hard Debt)	250												
Initial Balance				0	0	0	0	0	0	0	0	0	0
Total Annual Draw to achieve 1.0 DCR				0	0	0	0	0	0	0	0	0	0
Total Annual Deposit to achieve Maintained DCR				0	0	0	0	0	0	0	0	0	0
Total 1.0 DCR and Maintained DCR				0	0	0	0	0	0	0	0	0	0
Interest				0	0	0	0	0	0	0	0	0	0
Ending Balance at Maintained DCR				0	0	0	0	0	0	0	0	0	0
Maintained Cash Flow Per Unit				744	773	801	828	853	876	898	917	935	951
Maintained Debt Coverage Ratio on Part A Loan				1.19	1.20	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.24
Maintained Debt Coverage Ratio on Conventional/Other Standard ODR				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-standard ODR				0	0	0	0	0	0	0	0	0	0
Operating Assurance Reserve Analysis													
Required in Year:	1			111,983	111,983	111,983	111,983	111,983	111,983	111,983	111,983	111,983	111,983
Initial Balance				150,496	155,011	159,661	164,451	169,384	174,466	179,700	185,091	190,644	196,363
Interest Income				4,515	4,650	4,790	4,934	5,082	5,234	5,391	5,553	5,719	5,891
Ending Balance				155,011	159,661	164,451	169,384	174,466	179,700	185,091	190,644	196,363	202,254
Deferred Developer Fee Analysis													
Initial Balance				291,711	273,854	255,284	236,064	216,200	195,737	174,714	153,171	131,154	108,706
Dev Fee Paid				17,858	18,560	19,229	19,865	20,463	21,023	21,542	22,018	22,447	22,829
Ending Balance				273,854	255,294	236,064	216,200	195,737	174,714	153,171	131,154	108,706	85,877
Mortgage Resource Fund Loan													
Interest Rate on Subordinate Financing	3%												
Principal Amount of all MSHDA Soft Funds				0	0	0	0	0	0	0	0	0	0
Current Yr Int				0	0	0	0	0	0	0	0	0	0
Accrued Int				0	0	0	0	0	0	0	0	0	0
Subtotal				0	0	0	0	0	0	0	0	0	0
Annual Payment Due				0	0	0	0	0	0	0	0	0	0
Year End Balance				0	0	0	0	0	0	0	0	0	0

Cash Flow Projections

Development: Walter French 4

Financing Tax Exempt

MSHDA No. 3966

Step Notice of Intent to Apply

Date 10/26/2020

Type Adaptive Reuse

Initial Inflation
Starting in Yr
Future Inflation

	1	2	3	4	5	6	7	8	9	10
Income										
Annual Rental Income	247,688	252,621	257,674	262,827	268,084	273,445	278,914	284,493	290,183	295,986
Annual Non-Rental Income	1,750	1,785	1,821	1,857	1,894	1,932	1,971	2,010	2,050	2,091
Total Project Revenue	249,438	254,406	259,494	264,684	269,978	275,378	280,885	286,503	292,233	298,078
Expenses										
Vacancy Loss	17,337	17,683	18,037	18,398	18,766	19,141	19,524	19,914	20,313	20,719
Management Fee	12,816	13,200	13,596	14,004	14,425	14,857	15,303	15,762	16,235	16,722
Administration	22,000	22,660	23,340	24,040	24,761	25,504	26,269	27,057	27,869	28,705
Project-paid Fuel	3,960	4,079	4,201	4,327	4,457	4,591	4,728	4,870	5,016	5,167
Common Electricity	5,940	6,118	6,302	6,491	6,686	6,886	7,093	7,305	7,525	7,750
Water and Sewer	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529
Operating and Maintenance	32,000	32,960	33,949	34,967	36,016	37,097	38,210	39,356	40,537	41,753
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)	11,543	11,758	11,978	12,202	12,430	12,661	12,897	13,137	13,382	13,630
Insurance	10,032	10,333	10,643	10,962	11,291	11,630	11,979	12,338	12,708	13,089
Replacement Reserve	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Other:	792	816	840	865	891	918	946	974	1,003	1,033
Other:	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
Subtotal: Operating Expenses	145,419	149,478	153,653	157,946	162,362	166,904	171,576	176,381	181,324	186,408
Debt Service										
Debt Service Part A	94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544	94,544
Debt Service Conventional/Other Financing	0	0	0	0	0	0	0	0	0	0
Total Expenses	239,964	244,022	248,197	252,491	256,907	261,449	266,120	270,926	275,868	280,952
Cash Flow(Deficit)	9,454	10,384	11,298	12,194	13,071	13,929	14,765	15,577	16,365	17,126
Cash Flow Per Unit	394	433	471	508	545	580	615	649	682	714
Debt Coverage Ratio on Part A Loan	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19
Debt Coverage Ratio on Conventional/Other Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Average Cash Flow as % of Net Income

Operating Deficit Reserve (ODR) Analysis	
Maintained Debt Coverage Ratio (Hard Debt)	1.00
Maintained Operating Reserve (No Hard Debt)	250
Initial Balance	0
Total Annual Draw to achieve 1.0 DCR	0
Total Annual Deposit to achieve Maintained DCR	0
Total 1.0 DCR and Maintained DCR	0
Interest	0
Ending Balance at Maintained DCR	0
Maintained Cash Flow Per Unit	394
Maintained Debt Coverage Ratio on Part A Loan	1.10
Maintained Debt Coverage Ratio on Conventional/Other Standard ODR	N/A
Non-standard ODR	0

Operating Assurance Reserve Analysis	
Required in Year:	1
Initial Balance	111,983
Interest Income	111,983
Ending Balance	111,983

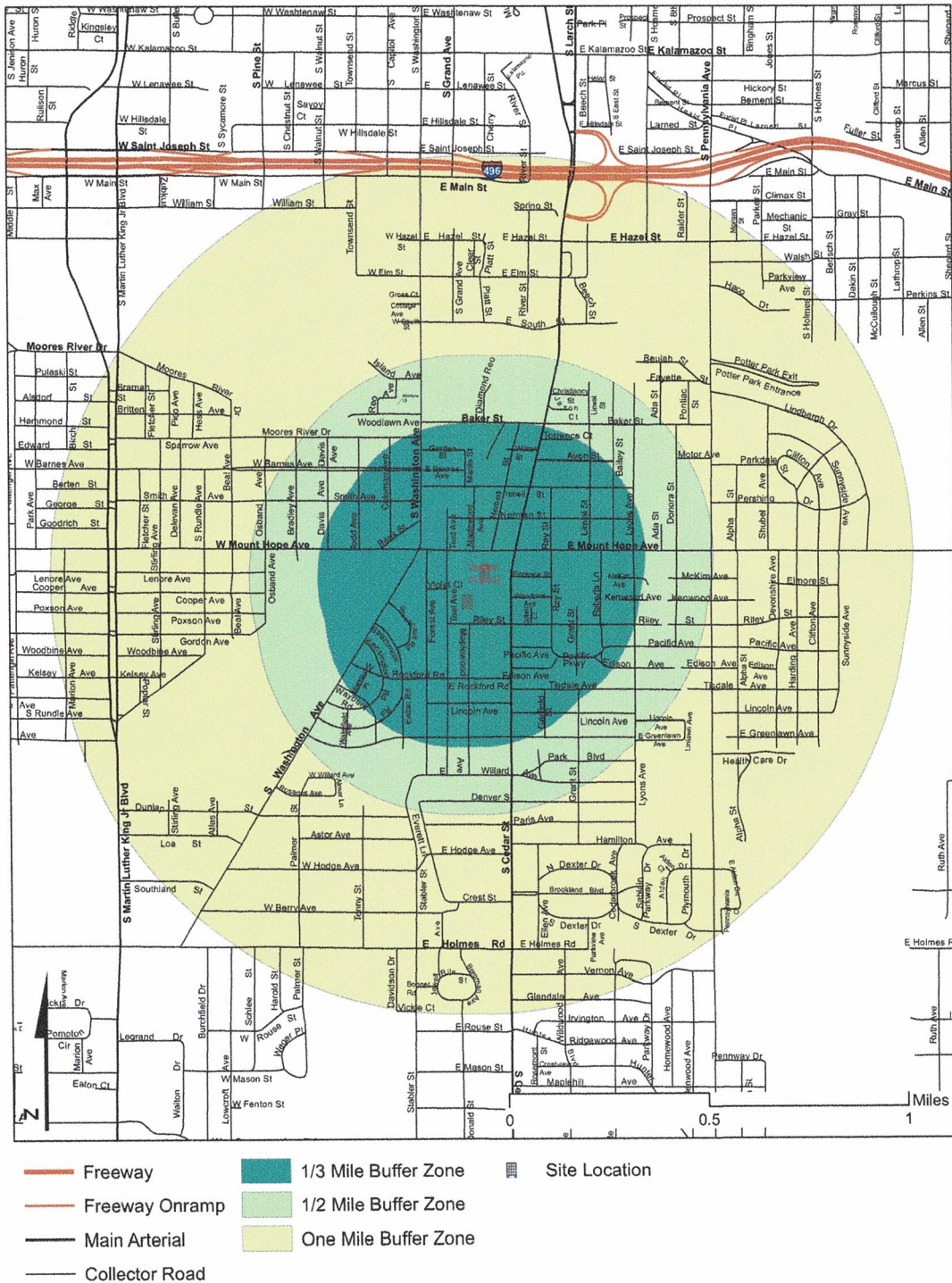
Deferred Developer Fee Analysis	
Initial Balance	425,874
Dev Fee Paid	9,454
Ending Balance	416,419
Repaid in yr #N/A	

Mortgage Resource Fund Loan	
Interest Rate on Subordinate Financing	3%
Principal Amount of all MSHDA Soft Funds	0
Current Yr Int	0
Accrued Int	0
Subtotal	0
Annual Payment Due	0
Year End Balance	0

CAHP Site Buffer Zones

Walter French Academy

1900 S Cedar Street, Lansing, MI 48910



Created By: A. Skelton GIS-IT
Date Created: 18 December 2018



Company Profile, Management

Continental Management, LLC

About Continental Management, LLC

Founded in 2003 as a fully-integrated property management company, the executive staff of Continental Management has a total of over 100 years of experience in the affordable housing industry. As a proven leader in the industry, Continental Management combines fresh, progressive management strategies with modern communications in order to provide affordable housing and maximize investment return in tandem with insuring long-term property appreciation. While maintaining an emphasis on profitability, residents are still at the heart of Continental Management's goals and business practices.

Our Vision

Our team is committed to providing quality service to our residents and clients. Continental Management's primary objective is to provide the best possible living environment for every resident, creating a sense of ownership and pride, and to continually enhance the surrounding neighborhoods where communities are located. This is done by creating new job opportunities and use of local vendors, through construction and renovation efforts, as well as extra tax revenues to the community at large. Continental Management's on-site professionals provide daily service to residents and demonstrate the company's commitment to quality through their dedicated management of the properties. Continental Management's services also include performance-based fee management, consulting, marketing, statistical research, maintenance, and energy management.

Award-Winning Management

Continental Management has been recognized by several organizations for providing quality management. Some of our awards include:

- Management Company of the Year-Detroit Metropolitan Apartment Association (DMAA)
- Excellence in Education-Property Management Association of Michigan (PMAM)
- Top Workplaces 2010, 2011, 2012, 2013, & 2014 -Detroit Free Press

Community Impact

With an emphasis on community impact and customer service, Continental Management is a key contributor to the revitalization of the communities it serves. Continental Management has provided community safety programs in conjunction with the local police departments, neighborhood clean-ups, community dinners, scholarships, paid internships for students. We also support community organizations that benefit the neighborhoods we serve. This culture of service motivates staff to not only help in their communities, but to serve one another as partners, friends, and mentors.

Commitment to Quality & Education

Continental Management can attribute much of its success to the extensive training in good business practices it provides for all of its employees. Three of the company's trainers have earned the prestigious National Apartment Association-Advanced Instructor Trainer (AIT) designation. We also encourage and support training through the NAA affiliates and other trade organizations.

What Makes Us Different?

Continental Management has a wealth of in-house expertise, which allows us to provide training programs and specialized services that other companies typically outsource. Most training and education is taught by our five National Apartment Association certified Advanced Instructor Trainers. We provide training in fair housing, customer service, risk management, leasing, outreach, compliance, inspections, legal processing, leadership, and finance. Continental Management also has several specialized departments. We offer legal services, security management, landscaping, facilities team and compliance management. This allows Continental Management to reduce operating costs by decreasing the expense of outside vendors and consultants.

16 Years of Business. A Lifetime of Impact

It is our continued duty to invest in people first and to foster a community where employees can grow personally and professionally. In 16 years, the company has grown exponentially and continues to provide exceptional service to clients and residents. Our progressive business practices will continue to drive higher occupancies, resident renewals and referrals.

Executive Profiles

Timothy Van Pelt Fox, President

Since 1995 Timothy Van Pelt Fox has been involved with the operations and growth of MHT Housing, Inc. In 2004 he became president and owner, continuing to lead the company & establishing a new property management company, Continental Management, LLC. His expert knowledge in the development process, tax credit industry, understanding of municipal approvals, construction, acquisition/rehabilitation requirements, and conceptualization of development possibilities has been the catalyst in developing new construction tax credit units and the rehabilitation of existing multifamily & senior apartments. Along with his corporate involvement, Mr. Fox is committed to community service, dedicating time & resources to neighborhood clean-up projects, coordinating dinners for those in need, & contributing to student scholarships. Mr. Fox received his Bachelor of Arts degree in Economics and Business from Olivet College in Olivet, MI.

Gary Offenbacher, Executive Vice President

Gary Offenbacher has more than 35 years experience in property management. Prior to joining Continental Management, LLC Mr. Offenbacher was VP of Demar Construction and Standard Federal Savings Bank in Maryland where he oversaw 1,200 apartment units and the construction/lease up of 700 apartment units. He then became a Senior Regional Manager for a property management company where he was responsible for a portfolio of 3,000 apartment units in Southeast Michigan. He then held the position of Executive Vice President of Lockwood Management until 2006 when he arrived at Continental Management, LLC. Today Mr. Offenbacher is responsible for all aspects of property and asset management, including, leasing, compliance, training, budgeting, human resources, and capital improvements. Mr. Offenbacher has a Bachelor of Science degree from Frostburg State University in Maryland and Master of Business Administration from Marymount University in Arlington, VA. Mr. Offenbacher is Past President of IREM Chapter 5, The DMAA and the Property Association of Michigan. He also currently serves on the Board of IREM Chapter 5.

Brian Gallaher, Chief Financial Officer

As Chief Financial Officer, Brian A. Gallaher oversees all financial matters for Continental Management's entire portfolio of properties, including financial reporting, audits and taxes. Mr. Gallaher also plays a key role as underwriter in the financial planning of new projects and acquisitions along with securing investors and negotiation of partnership agreements. Prior to coming to Continental Management in 2004, Mr. Gallaher was the Controller for a large Midwest management company, located in Milford, Michigan, where he was responsible for all aspects of accounting and finance for 92 properties. Mr. Gallaher received his Bachelor of Business Administration in Accounting from Eastern Michigan University, in Ypsilanti, Michigan. He continued on to complete his Master of Science in Corporate Finance at Walsh College, located in Troy, Michigan, graduating Cum Laude.

Tom Lydick, Controller

Tom Lydick has been employed in the development, construction, and property management industries for more than 30 years. He joined Continental Management, LLC in January of 2010 and serves as the controller. He is responsible for all aspects of financial analysis, financial reporting for the company, and oversees the accounting department staff. Mr. Lydick has a Bachelor of Science degree in accounting and a Masters in Business Administration in finance from the University of Detroit. He is a registered CPA, and also holds a real estate license and is a certified financial planner.

Property / # of Units			Address
630 Lofts/Cottage 36	39 Units/29 Units		630 Cottageview Drive Traverse City, MI 49684 Grand Traverse County
	Tax Credit		
Adams Senior Village	120 Units	Tax	2001 Kaley Westland, MI 48186 Wayne County
	Credit/Senior		
Agnes Street Apartments	24 Units		9141 Agnes Detroit, MI 48124 Wayne County
	Tax Credit		MAILING ADDRESS: Village Park
Ambrose Ridge	84 Units	Senior Tax	1501 Woodworth NE Grand Rapids, MI 49525 Kent County
	Credit		
Apple Ridge	56 Units		2231 Flower Street Kalamazoo, MI 49001 Kalamazoo County
	Tax Credit		
Arthur Antisdel Apartments	(aka Cass Communities)		1584 Elmhurst Detroit, MI 48206 Wayne County
	41 Units PBV		
Artworks	26 Units		600 W Clay Ave Muskegon MI 49440 Muskegon County
	Tax Credit		
Aspen Hills Apartments	70 Units	Section 8/Tax Credit	1291 Oak Terrace Dr. Traverse City, MI 49686 Grand Traverse County
The Avenue Apartments	10 Units		1300 Madison SE Grand Rapids, MI 49507
	Tax Credit / Home		MAILING ADDRESS: 1167 Madison SE Kent County
			Grand Rapids, MI 49507
Baker Lofts I & II	43/44 Units	Tax Credit	40 Logan St Grand Rapids, MI 49503 Kent County
Baldwin Villas	65 Units	Tax	122 Warwick Drive Pontiac, MI 48340 Oakland County
	Credit		
Beacon Square Apts	& Townhomes	40 Units	101 Mechanic St & 460 Auburn Ave Pontiac, MI 48342 Oakland County
	Tax Credit		MAILING ADDRESS: Colonial Meadows
Bellemere Senior Apartments	88 Units Tax		14824 Greenfield Detroit, MI 48227 Wayne County
	Credit		
Benjamin Manor	81 Units		141 Manchester Parkway Highland Park, MI 48203 Wayne County
	Tax Credit/NSP/PBV		
Benton Harbor Hope VI	70 Units	Tax Credit	406 Pipestone Street Benton Harbor, MI 49022 Berrien County
Brentwood II Apartments	48 Units		1180 Brentwood Street Belding, MI 48809
	Section 8/Tax Credit		

Brookwood	60 HOME Units		3622 Hess Ave.	Saginaw, MI 48601
	Tax Credit		Saginaw County	
Brunson Hill Homes	48 Units	Tax Credit	406 Pipestone Rd.	Benton Harbor, MI 49022
			Berrien County	
Calumet	104 Units	Section 8	4387 Third	Detroit, MI 48201
			Wayne County	
Camelot Hills	102 Units	Section 8	601 Sadie Court	Lansing, MI 48906
			Ingham County	
Campus Creek Apartments and Cottages	248 Beds		14135 Bull Dog Lane	Big Rapids, MI 49307
(80 Units)/	66 Units	Student Housing	Mecosta County	
Centerline Park Towers	300 Units		8033 E. Ten Mile Road	Centerline, MI 48015
	Tax Credit/Section 8		Macomb County	
Chapel Hill Townhouses	12 Units	Tax Credit	9368 Yosemite Street	Detroit, MI 48204
			Wayne County	MAILING ADDRESS
				Robert Thomas
Chase Run	160 Units	Tax Credit	3726 S. Isabella Rd.	Mt.Pleasant, MI 48858
			Isabella County	
Clear Creek/Indiana Development	64 units	Tax Credit	1001 Clear Creek Trail	N. Manchester, IN 46962
			Wabash County	
Colonial Meadows	82 Units	Tax	1246 E Walton Blvd	Pontiac, MI 48340
	Credit - SENIOR		Oakland County	
Colony Arms	(AKA River Crest)	161 Units	9333 E. Jefferson Ave.	Detroit, MI 48214
	Section 8		Wayne County	
Colony House	33 Units	Market	313 W. Chicago St	Coldwater, MI 49036
Conner Creek	48 Units		4661 E Outer Drive	Detroit, MI 48234
	Tax Credit/Senior		Wayne County	
Core City Estates I	50 Units		1928 W. Alexandrine	Detroit, MI 48208
	Tax Credit		Wayne County	MAILING ADDRESS: 3540
			Harrison	Detroit, MI 48208
Core City Estates II	66 Units		1928 W. Alexandrine	Detroit, MI 48208
	Tax Credit		Wayne County	MAILING ADDRESS: 3540
			Harrison	Detroit, MI 48208

Core City West Village Tax Credit	59 Units	1928 W. Alexandrine Wayne County Harrison	Detroit, MI 48208 MAILING ADDRESS: 3540 Detroit, MI 48208
Dauner Haus Dauner Haus II	151 Units 41 Units Section 8 Tax Credit	400 Dauner Haus St (I) Fenton, MI 48430-1503	500 Dauner Haus St (II) Genesee County
Day Star Estates	48 Homes Tax Credit	13021 E. Forest County	Detroit, MI 48215 MAILING ADDRESS: Lakewood Manor
Dearborn Town Center Senior Tax Credit	77 Units	4550 Calhoun St. Wayne County	Dearborn MI, 48126
Deerpath 126 Units Section 8		1290 Deerpath Lane East Lansing, MI 48823	
Delhi Stratford Place Senior Tax Credit/PBV	96 Units	2385 Cedar Park Drive Ingham County	Holt, MI 48842
Dickerson Manor	66 Units Senior Tax Credit	722 Emerson	Detroit, MI 48215 Wayne County
Elaine Apartments	33 Units Section 8	101 E Michigan Ave Jackson County	Jackson, MI 49201
Field Street I & II Tax Credit	21/28 Units	231 E. Grand Blvd. Wayne County	Detroit, MI 48207 MAILING ADDRESS: Prince Hall
Gabrielle Section 8 Senior/Family	336 Units	14201 Second Avenue Wayne County	Highland Park, MI 48203
Genesis Villas	89 Units Credit Tax	91 Harper	Detroit, MI 48202 Wayne County
9100 on Gratiot	36 Units Credit Tax	9100 Gratiot	Detroit MI 48213 Wayne County
Glendale Buena Vista Home	93 Units	2 East Buena Vista Wayne County	Highland Park, MI 48203
Gray Street I & II	10/24 Units Tax Credit	12801 Kercheval Wayne County	Detroit, MI 48215
Green Meadows	48 Units Tax Credit	900 Northmeadow Dr Otsego County	Gaylord, MI 49735
Greenwood Village 48/48 Units Tax Credit	I & II	300 Village Green Blvd Hillsdale County	Hillsdale, MI 49242

Harbor Bluffs	52 Units	Tax Credit	406 Pipestone Street Benton Harbor, MI 49022 Berrien County
Heritage Park	66 Units Credit	Tax	8550 Heritage Place Detroit, MI 48208 Wayne County MAILING ADDRESS: 3540 Harrison Detroit, MI 48208
Highland Manor	48 Units	Tax Credit/PBV	20 Sears Ave. Highland Park, MI 48203 Wayne County
Hillside I & II	56/104 Units	Tax Credit	501 Valley Ridge Petoskey, MI 49770 Emmett County
Hope Senior	50 Units	Senior Tax Credit	210 W. Drahner Rd. Oxford, MI 48371 Oakland County
Jefferson Meadows	83 Units	Tax	13101 Freud Street Detroit, MI 48215 Wayne County
Jefferson Square	180 Units	Tax	541 Dickerson Detroit, MI 48215 Wayne County
Jennings Senior Living	46 Units	Senior Tax Credit	7815 E Jefferson Ave Detroit, MI 48214 Wayne County
Kendall Homes	38 Units	Tax Credit	19416 Charleston Detroit, MI 48203 Wayne County
Klingman Lofts I 42 Units	41 units	Klingman Lofts II Tax Credit	400 Ionia St SW Grand Rapids, MI 49503 Kent County MAILING ADDRESS: Baker Lofts
Lakewood Manor	30 Units	PBV	14200 Kercheval Detroit, MI 48215 Wayne County
Lighthouse Village	48 Units	Tax	400 Duncan Ave Cheboygan, MI 49721 Cheyboygan County
Loomis	30 Units	Tax Credit Senior	200 Loomis
Luddington	30 Units	Tax Credit	225 Ludington
McDonald Square	180 Units	Section 8	2900 East Vernor Detroit, MI 48207 Wayne County
Meetinghouse at Fidelity	30 Units	Senior Tax Credit	162 Pipestone Street Benton Harbor, MI 49022 Berrien County MAILING ADDRESS: River Terrace

Mill Pond Manor Apartments Section 8	58 Units		614 N. 2nd Ave	Brighton, MI 48116	Livingston County
Mitchell Street Condos	13 Homes Credit	Tax	20 Sears Ave.	Highland Park, MI 48203	Wayne County
Morningside Commons	64 Units Credit/Home	Tax	14200 Kercheval Wayne County	Detroit, MI 48215 MAILING ADDRESS: Lakewood Manor	
Newman Court Apts Section 8	172 Units		630 Kettering Ave	Pontiac, MI 48340	Oakland County
Norman Towers	109 Units	Tax Credit	810 W. Elm Ave	Monroe, MI 48162	Monroe County
Nortown I Home Tax Credit	50 Units		20017 Van Dyke	Detroit, MI 48234	Wayne County
Oakhill Vlg/Townhomes Student Housing/Market	203 Units		1010 Marguette Ave	Muskegon, MI 49442	
Oakwood Senior Apartments Senior Home	40 Units		14825 Nehls	Eastpointe, MI 48021	Macomb County
Pablo Davis	75 Units	Senior/Tax Credit	9200 W Vernor Hwy	Detroit, MI 48209	Wayne County
Palmer Court Townhomes Tax Credit	173 Units		5721 St. Antoine Street 48202	Detroit, MI	Wayne County
Park Place	165 Units	Tax Credit	2932 Marshall Ave, SE	Grand Rapids, MI 49508	Kent County
Parkview Place Credit/Section 8	199 Units	Tax	1401 Chene	Detroit, MI 48207	Wayne County
Penrose Village I & II Tax Credit	36/36 Units		19416 Charleston	Detroit, MI 48203	Wayne County
Pilgrim Meadows	30 Units	Tax Credit	3843 Puritan	Detroit, MI 48238	Wayne County
Pilgrim Village	22 Units	Tax Credit	15949 Quincy Wayne County	Detroit, MI 48238 MAILING ADDRESS: Pilgrim Meadows	
Prince Hall Credit	156 Units	Tax	2199 Prince Hall Drive	Detroit, MI 48207	Wayne County
Renaissance Tax Credit	56 Units		129 South Edith St	Pontiac, MI 48342	Oakland County

Reuben Daniels	50 Units	Tax Credit	1718 Sanford St Saginaw County	Saginaw, MI 48601 MAILING ADDRESS: Vista Villa
Ridgewood Vista	150 Units	Section 8	5000 Ponderosa Drive Jackson County	Jackson, MI 49201-8817
River Terrace	270 Units 8 Senior/Family	Section	200 River Terrace Drive Berrien County	Benton Harbor, MI 49022
Riverside Apartments	67 Units Credit	Tax	1800, 1801, 1830, 1730 Magnolia MI 48208 ADDRESS: 3540 Harrison	Detroit, Wayne County MAILING ADDRESS: Detroit, MI 48208
Robert Thomas	49 Units	Tax Credit	5121 West Chicago Wayne County	Detroit, MI 48204
Roberts III Apartments	197 Units 236/HOME	RAP	3901 Grand River Wayne County	Detroit, MI 48208
Roosevelt Park Lofts	21 Units Tax Credit / Home		1363 Grandville Ave SW 49503 Kent County 1167 Madison SE	Grand Rapids, MI MAILING ADDRESS: Grand Rapids, MI 49507
Royal Oak Tower	200 Units Credit Senior	Tax	20800 Wyoming Oakland County	Ferndale, MI 48220
San Juan	11 Units Credit/Home	Tax	7418 Puritan Wayne County	Detroit, MI 48238 MAILING ADDRESS: Pilgrim Meadows
Sarah Garrett Homes	35 Home Units Tax Credit/PBV		5148 Yemans Wayne County	Hamtramck, MI 48212 MAILING ADDRESS: Highland Manor
Shiloh Commons	125 Units Tax Credit		3209 Buick St Genesee County	Flint MI 48505
Silver Creek	111 Units Tax Credit		25617 Valley Creek Drive #100 Flat Rock, MI 48134	Wayne County
South Hill	120 Units	Section 8	585 Gwendolyn Blvd. Oakland County	Milford, MI 48381

Southtown Square	(aka Madison Square) Section 8	44 Units	1167 Madison Ave SE 49507 ADDRESS: 1167 Madison SE Rapid, MI 49507	Grand Rapids, MI Kent County Grand Kent County
Springwells Village	24 Units	Tax Credit	9200 W Vernor Hwy Wayne County	Detroit, MI 48209
Thurgood Marshall Homes	Tax Credit	72 Units	406 Pipestone Rd. Berrien County	Benton Harbor, MI 49022
University Club	120 Units	Tax Credit/Home	4707 Anthony Wayne Dr. Wayne County	Detroit, MI 48201
Uptown Village	Tax Credit / Home	24 Units	950 Wealthy Street SE Kent County Madison SE	Grand Rapids, MI 49506 MAILING ADDRESS: 1167 Grand Rapids, MI 49507 Kent County
Van Dyke Center	200 Units	Section 8 Senior	8100 Gratiot Wayne County	Detroit, MI 48213-2970
Village at Irving Park	Tax Credit	39 Units	115 West Street Calhoun County	Battle Creek, MI 49037
Village of Royal Oak	Tax Credit Senior	147 Units	3442 Devon Road Oakland County	Royal Oak, MI 48073
Village Park	NSP/PBV	57 Units	1085 Van Dyke Wayne County	Detroit, MI 48214
Vista Villa	100 Units Credit/Home	Tax	3622 Hess Ave. Saginaw County	Saginaw, MI 48601
Walnut Grove Apartments	Section 8/Tax Credit	80 Units	875 Sheffield SW Kent County	Grand Rapids, MI 49503
Wellington I & II	45/46 Units Credit	Tax	59 Sewerd St Wayne County	Detroit MI 48202
Wildwood Apartments	Tax Credit/PBV	229 Units	5995 N. Wildwood Street Wayne County	Westland, MI 48185

July ___, 2021

WALTER FRENCH LIMITED DIVIDENT HOUSING
ASSOCIATION LIMITED PARTNERSHIP ("Owner")

Attn:

Re: Prevailing Wage ("Davis-Bacon") Determination for WALTER FRENCH
(the "Development")

To Whom it May Concern:

City of Lansing policy requires the enforcement of the Davis-Bacon Act and other federal labor standards and requirements with respect to all housing developments receiving a benefit from the City of Lansing. The City of Lansing has agreed to grant tax exempt status to the Development and to accept a payment in lieu of taxes pursuant to the contract between the City of Lansing and the Owner. The Davis-Bacon Act requires the Owner and the Contractor to agree to pay prevailing wages to all laborers and mechanics providing work at the Development, and to certify the payment of those prevailing wage rates. The applicable Davis-Bacon prevailing wage determinations for this Development are as set forth in Exhibit A to this letter. The Federal Labor Standards provisions are also attached to this letter.

July __, 2021
Page 2

Please indicate your agreement to pay at least the greater of (1) the minimum hourly wage rate established by Michigan law or (2) the basic hourly prevailing wage rates set forth in Exhibit A and to comply with Federal Labor Standards during the construction of the Development by indicating your concurrence in the spaces provided for that purpose below. These prevailing wage determinations must be incorporated into the Construction Contract between the Owner and the Contractor (the "Contract"). The Owner and Contractor must also certify to the City of Lansing on a quarterly basis, beginning in _____, and ending upon completion of construction (as evidenced by the issuance of Certificates of Occupancy or equivalent on all of the units in the Development), that all laborers and mechanics have been paid prevailing wages as required by this Letter and under the Contract. The Certification issued by the Owner shall be in the form attached hereto as Exhibit B.

Sincerely,

CITY OF LANSING

By:_____

July __, 2021
Page 3

We hereby agree to require the Contractor to comply with the prevailing wage and other requirements contained in this letter, and to incorporate these requirements and the Federal Labor Standards Provisions in the Contract and each subcontract, as set forth in Exhibit C.

The provisions of this Letter may be enforced by the Owner, the City of Lansing, the U.S. Department of Labor, and, to the extent permitted by law, any person intended to be benefitted by them. A breach of the provisions of this Letter shall be considered a material breach of the Contract, and shall give the Owner the rights following a default under the Contract. A breach of the provisions of this Letter may also result in the debarment of the Contractor from future participation in U.S. Government contracts under 29 CFR Part 98.

SPONSOR:
CAPITAL AREA HOUSING
PARTNERSHIP
By:
Its: Managing Member

By:
Its:

We hereby agree to comply with the prevailing wage and other requirements listed in this letter, and agree that these requirements are hereby incorporated in the Contract. We further agree that representatives of each of the foregoing parties with enforcement rights shall have full and free access, during working hours and after reasonable notice, to all our labor- related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements. We further agree that we shall promptly respond to all requests for information made by the City of Lansing respecting compliance with these requirements.

We shall further cause and require to be included in all subcontracts a provision that representatives of the City of Lansing shall have full and free access, during working hours and after reasonable notice, to all labor-related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, of the subcontractor relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements.

_____ Construction Company, Inc.

By:

Its:

EXHIBIT A

**Walter
French
Project**

"General Decision Number: MI20210014 07/16/2021

Superseded General Decision Number: MI20200014

State: Michigan

Construction Type: Residential

County: Ingham County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.95 for calendar year 2021 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.95 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2021. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/01/2021
1	01/29/2021
2	07/16/2021

CARP1004-012 06/01/2020

	Rates	Fringes
CARPENTER (Form Work Only).....	\$ 19.85	20.71

* ELEC0252-006 06/01/2021

Townships of Bunker Hill, Leslie, Onondaga and Stockbridge

	Rates	Fringes
ELECTRICIAN.....	\$ 33.69	20%+10.80

* ELEC0665-010 05/31/2021

Townships of Alaiedon, Aurelius, Delhi, Ingham, Lansing, Leroy, Locke, Meridian, Vevay, Wheatfield, White Oak and Williamson

	Rates	Fringes
ELECTRICIAN.....	\$ 30.00	9.25+5.5%

ENGI0325-029 06/01/2020

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 40.38	24.85
GROUP 2.....	\$ 37.08	24.85
GROUP 3.....	\$ 34.43	24.85

FOOTNOTES:

Crane operator with main boom and jib 300' or longer: \$1.50 per hour above the group 1 rate.
Crane operator with main boom and jib 400' or longer: \$3.00 per hour above the group 1 rate.

PAID HOLIDAYS: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Crane operator with main boom and jib 400', 300', or 220' or longer.

GROUP 2: Crane operator with main boom and jib 140' or longer, tower crane, gantry crane, whirley derrick

GROUP 3: Bulldozer; Crane; Grader/Blade; Loader; Scraper

IRON0025-004 06/01/2019

	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 36.77	29.03

LABO0499-008 10/01/2014

	Rates	Fringes
LABORER: Mason Tender - Cement/Concrete.....	\$ 16.72	12.75

PAIN0845-002 05/21/2014

	Rates	Fringes
PAINTER: Brush and Roller.....	\$ 16.43	11.85

PLUM0333-003 06/18/2018

	Rates	Fringes
PIPEFITTER (Including HVAC Pipe Installation).....	\$ 25.82	18.47
PLUMBER (Excluding HVAC Pipe Installation).....	\$ 25.82	18.47

ROOF0070-012 06/01/2020

	Rates	Fringes
ROOFER.....	\$ 30.43	15.68

SHEE0007-023 05/01/2018

	Rates	Fringes
SHEET METAL WORKER, Includes HVAC Duct and Unit Installation.....	\$ 24.93	9.65

SUMI2010-012 09/16/2010

	Rates	Fringes
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CARPENTER, Excludes Form Work.....	\$ 17.64	6.70
CEMENT MASON/CONCRETE FINISHER....	\$ 19.27	5.85
LABORER: Common or General.....	\$ 17.21	5.46
LABORER: Landscape.....	\$ 9.64	2.81
LABORER: Pipelayer.....	\$ 17.95	5.46
OPERATOR: Backhoe/Excavator.....	\$ 19.94	5.46
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 17.66	7.65
TRUCK DRIVER: Dump Truck.....	\$ 17.00	5.71

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an

interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

EXHIBIT B

Prevailing Wage Certification

[INSERT DATE]

City of Lansing
Attn: City Assessor's Office
124 W. Michigan Avenue
Lansing, Michigan

RE: WALTER FRENCH

Pursuant to that certain Prevailing Wage Letter Agreement (the "Letter") dated _____, the undersigned, CAPITAL AREA HOUSING PARTNERSHIP ("Owner"), and _____ Construction Company, Inc. ("Contractor"), hereby certify, each on their own behalf and to the best of their knowledge, to the City of Lansing that each have complied with the requirements of the Letter and that all laborers and mechanics have been paid prevailing wages as required by the Letter and under the Contract.

CAPITAL AREA HOUSING PARTNERSHIP

By:

Its: Managing Member

By: _____

Its:

_____ Construction Company, Inc.

By: _____

Its:

Federal Labor Standards Provisions

U.S. Department of Housing
and Urban Development
Office of Labor Relations**Applicability**

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30 -day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215 -0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215- 0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis- Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215 -0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e. g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A. 3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A. 3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to, and individually registered in a program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

form HUD-4010 (06/2009)

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U. S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U. S. C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; Liability for unpaid wages; Liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91- 54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO AMEND THE CODE OF ORDINANCES OF THE CITY OF LANSING BY ADDING A NEW SECTION 888.____ FOR THE PURPOSES OF PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES FOR SEVENTY-SIX (76) LOW INCOME MULTI-FAMILY DWELLING UNITS IN A PROJECT KNOWN AS WALTER FRENCH, PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, AS AMENDED.

THE CITY OF LANSING ORDAINS:

SECTION 1. That Chapter 888 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new Section 888.____ to read as follows:

888.____ WALTER FRENCH

(A) *PURPOSE*. IT IS ACKNOWLEDGED THAT IT IS A PROPER PUBLIC PURPOSE OF THE STATE AND ITS POLITICAL SUBDIVISIONS TO PROVIDE HOUSING FOR ITS RESIDENTS OF LOW AND MODERATE INCOME AND TO ENCOURAGE THE DEVELOPMENT OF SUCH HOUSING BY PROVIDING FOR A SERVICE CHARGE IN LIEU OF PROPERTY TAXES IN ACCORDANCE WITH THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, BEING PUBLIC ACT 346 OF 1966, AS AMENDED [MCL 125.1401, ET SEQ.]. THE CITY IS AUTHORIZED BY SUCH ACT TO ESTABLISH OR CHANGE THE SERVICE CHARGE TO BE PAID IN LIEU OF TAXES BY ANY OR ALL CLASSES OF HOUSING EXEMPT FROM TAXATION UNDER SUCH ACT AT ANY AMOUNT IT CHOOSES, NOT TO EXCEED THE TAXES THAT WOULD BE PAID BUT FOR THIS ACT. IT IS FURTHER ACKNOWLEDGED THAT SUCH HOUSING FOR PERSONS OF LOW AND MODERATE INCOME IS A PUBLIC

1 NECESSITY, AND AS THE CITY WILL BE BENEFITED AND IMPROVED BY SUCH
2 HOUSING, THE ENCOURAGEMENT OF THE SAME BY PROVIDING CERTAIN
3 REAL ESTATE TAX EXEMPTION FOR SUCH HOUSING IS A VALID PUBLIC
4 PURPOSE.

5 (B) *DEFINITIONS.*

6 (1) "*ACT*" MEANS THE STATE HOUSING DEVELOPMENT AUTHORITY ACT,
7 BEING PUBLIC ACT 346 OF 1966, AS AMENDED.

8 (2) "*ANNUAL SHELTER RENTS*" MEANS THE TOTAL COLLECTIONS DURING AN
9 AGREED ANNUAL PERIOD FROM ALL PERSONS OF LOW OR MODERATE
10 INCOME, OCCUPYING THE HOUSING DEVELOPMENT REPRESENTING
11 RENTS FOR OCCUPANCY, WHICH RENTAL AMOUNTS SHALL BE EXCLUSIVE
12 OF CHARGES FOR GAS, ELECTRICITY, HEAT OR OTHER UTILITIES
13 FURNISHED TO THE OCCUPANTS.

14 (3) "*AUTHORITY*" MEANS THE MICHIGAN STATE HOUSING DEVELOPMENT
15 AUTHORITY.

16 (4) "*HOUSING DEVELOPMENT* " OR " *DEVELOPMENT*" MEANS A DEVELOPMENT
17 WHICH CONTAINS A SIGNIFICANT ELEMENT OF HOUSING FOR PERSONS OF
18 LOW AND MODERATE INCOME AND SUCH ELEMENTS OF OTHER HOUSING,
19 COMMERCIAL, RECREATIONAL, INDUSTRIAL, COMMUNAL AND
20 EDUCATIONAL FACILITIES AS THE AUTHORITY MAY DETERMINE WILL
21 IMPROVE THE QUALITY OF THE DEVELOPMENT AS IT RELATES TO
22 HOUSING FOR PERSONS OF LOW AND MODERATE INCOME. FOR THE

PURPOSE OF THIS SECTION, THE NAME OF THIS DEVELOPMENT IS WALTER
FRENCH, AND CONSISTS OF SEVENTY-SIX (76) UNITS OF RENTAL HOUSING
LOCATED WITHIN LANSING AT:

THAT PART OF ASSESSOR'S PLAT NO. 46, ON THE NORTHEAST
¼ OF SECTION 28, T4N, R2W, CITY OF LANSING, INGHAM
COUNTY, MICHIGAN, RECORDED IN LIBER 12 OF PLATS, PAGE 7,
INGHAM COUNTY RECORDS, BEGINNING ON THE SOUTH RIGHT
OF WAY LINE OF MT. HOPE AVENUE, 43.0 FEET SOUTH OF THE
NORTH SECTION LINE, AT A POINT 100.0 FEET EASTERLY OF
THE WEST LINE OF LOT 5 OF SAID ASSESSOR'S PLAT NO. 46,
RUNNING THENCE ALONG SAID RIGHT OF WAY LINE NORTH
89°11'30" EAST 593.667 FET TO A POINT OF CURVATURE; THENCE
SOUTHEASTERLY 53.53 FEET ALONG THE ARC OF A 30 FOOT
RADIUS CURVE TO THE RIGHT WHOSE CHORD BEARS SOUTH
39°41'30" EAST 46.71 FEET TO THE WESTERLY RIGHT OF WAY
LINE OF CEDAR STREET; THENCE ALONG SAID WESTERLY LINE
THE FOLLOWING FIVE COURSES, SOUTH 11°25'30" WEST 118.66
FEET; THENCE SOUTHERLY 197.93 FEET ALONG THE ARC OF A
917.22 FOOT RADIUS CURSE TO THE LEFT WHOSE CHORD BEARS
SOUTH 5°14'25" WEST 197.53 FEET TO A POINT OF TANGENCY;
THENCE SOUTH 0°56'30" EAST 5.43 FEET; THENCE SOUTH
10°34'39" WEST 22.18 FEET; THENCE SOUTH 0°56'30" EAST 83.05
FEET; THENCE SOUTH 89°08' WEST 403.42 FEET; THENCE SOUTH
350.30 FEET; THENCE WEST 268.84 FEET; THENCE NORTH 648.14
FEET; THENCE NORTH 89°11'30" EAST 100.0 FEET; THENCE
NORTH 0°53' WEST 162.0 FEET TO THE POINT OF BEGINNING;
ALSO LOT 65 OF CHITTENDEN'S SUBDIVISION OF A PART OF
THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 28, T4N,
R2W, CITY OF LANSING, INGHAM COUNTY, MICHIGAN,
RECORDED IN LIBER 5 OF PLATS, PAGE 7, INGHAM COUNTY
RECORDS.

(5) "HUD" MEANS THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT OF THE UNITED STATES GOVERNMENT.

(6) "LOW INCOME HOUSING TAX CREDIT PROGRAM" MEANS THE PROGRAM
ESTABLISHED BY SECTION 42 OF THE UNITED STATES INTERNAL REVENUE
CODE.

(7) "*LOW OR MODERATE INCOME*" MEANS LOW OR MODERATE INCOME
ELIGIBILITY UNDER THE AUTHORITY ACT OR RULES.

(8) "*MORTGAGE LOAN*" MEANS A LOAN TO BE MADE BY A PRIVATE ENTITY
AND INSURED BY HUD, OR A LOAN FROM THE AUTHORITY FOR THE
FINANCING OF THE PURCHASE AND REHABILITATION OF THE HOUSING
DEVELOPMENT.

(9) "*SPONSOR*" MEANS A PERSON OR OTHER ENTITY WITH A HOUSING
DEVELOPMENT WHICH IS FINANCED OR ASSISTED PURSUANT TO THE ACT.
FOR PURPOSES OF THIS SECTION, THE SPONSOR OF WALTER FRENCH IS
CAPITAL AREA HOUSING PARTNERSHIP, OR ITS SUCCESSORS OR ASSIGNS.

(10) "*UTILITIES*" MEANS FUEL, WATER, SANITARY SEWER AND/OR ELECTRICAL
SERVICE, WHICH IS PAID FOR BY THE HOUSING DEVELOPMENT.

(C) *ESTABLISHMENT OF ANNUAL SERVICE CHARGE.*

(1) THE CITY ACKNOWLEDGES THAT THE SPONSOR AND THE AUTHORITY
HAVE ESTABLISHED THE ECONOMIC FEASIBILITY OF WALTER FRENCH IN
RELIANCE UPON THE ENACTMENT AND CONTINUING EFFECT OF THIS
SECTION AND UPON THE QUALIFICATION OF THE SEVENTY-SIX (76) UNITS
OF HOUSING IN THE HOUSING DEVELOPMENT FOR EXEMPTION FROM ALL
PROPERTY TAXES AS ESTABLISHED IN THIS SECTION,

(2) SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THIS SECTION AND
THE ACT, THE SEVENTY-SIX (76) UNITS IN THE HOUSING DEVELOPMENT
FOR PERSONS OF LOW AND MODERATE INCOME IDENTIFIED AS WALTER

1 FRENCH AND THE PROPERTY ON WHICH THEY ARE CONSTRUCTED SHALL
2 BE EXEMPT FROM ALL PROPERTY TAXES FOR NOT MORE THAN TWENTY
3 (20) YEARS, COMMENCING WITH AND INCLUDING TAX YEAR 2023.

4 (3) IN LIEU OF ALL SAID PROPERTY TAXES ON THE SEVENTY-SIX (76) UNITS IN
5 THE HOUSING DEVELOPMENT, THE SPONSOR SHALL PAY, AND THE CITY
6 WILL ACCEPT, AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES, IN
7 THE SUM EQUAL TO, SIX PERCENT (6%) OF THE DIFFERENCE BETWEEN THE
8 ANNUAL SHELTER RENTS ACTUALLY COLLECTED AND UTILITIES.

9 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION SHALL COMMENCE
10 WHEN THE SPONSOR COMPLIES WITH SECTION 15A(1) OF 1966 PA 346, AS
11 AMENDED, CODIFIED AS MCL 125.1415A(1), WHICH PROVIDES: THE OWNER
12 OF A HOUSING PROJECT ELIGIBLE FOR THE EXEMPTION SHALL FILE WITH
13 THE LOCAL ASSESSING OFFICER (THE CITY ASSESSOR) A NOTIFICATION OF
14 THE EXEMPTION, WHICH SHALL BE IN AN AFFIDAVIT FORM AS PROVIDED
15 BY THE AUTHORITY. THE COMPLETED AFFIDAVIT FORM FIRST SHALL BE
16 SUBMITTED TO THE AUTHORITY FOR CERTIFICATION BY THE AUTHORITY
17 THAT THE PROJECT IS ELIGIBLE FOR THE EXEMPTION. THE OWNER THEN
18 SHALL FILE OR CAUSE TO BE FILED THE CERTIFIED NOTIFICATION OF THE
19 EXEMPTION WITH THE LOCAL ASSESSING OFFICER BEFORE NOVEMBER 1
20 OF THE YEAR PRECEDING THE TAX YEAR IN WHICH THE EXEMPTION IS TO
21 BEGIN.

22 (5) IN ADDITION TO THE CERTIFICATION REQUIRED PURSUANT TO
23 SUBSECTION (C)(4), THE SPONSOR SHALL PROVIDE FOR THE HOUSING

1 DEVELOPMENT ANNUALLY IN WRITING TO THE CITY ASSESSOR FOR THE
2 PRECEDING YEAR IN WHICH THE PROPERTY TAX EXEMPTION WAS IN
3 EFFECT:

4 A. THE ANNUAL AUDITED ACCOUNTING REPORT FOR THE PAYMENT IN
5 LIEU OF TAXES; AND

6 B. A CERTIFIED STATEMENT IDENTIFYING ALL THE UNITS RENTED TO
7 PERSONS OF LOW OF MODERATE INCOME; AND

8 C. IF REQUESTED BY THE CITY, PROOF THAT THE HOUSING
9 DEVELOPMENT UNITS HAVE NOT INCREASED, DECREASED, OR BEEN
10 ALTERED IN ANY FORM, UNLESS THE CITY HAS OTHERWISE AMENDED
11 THE PROVISIONS OF THIS SECTION.

12 (D) *LIMITATION ON THE PAYMENT OF THE ANNUAL SERVICE CHARGE.*

13 NOTWITHSTANDING SUBSECTION (C), THE SERVICE CHARGE TO BE PAID EACH
14 YEAR IN LIEU OF TAXES FOR THE PART OF THE HOUSING DEVELOPMENT
15 PROJECT THAT IS TAX EXEMPT AND OCCUPIED BY OTHER THAN LOW OR
16 MODERATE INCOME PERSONS SHALL BE EQUAL TO THE FULL AMOUNT OF
17 THE TAXES THAT WOULD OTHERWISE BE DUE AND PAYABLE ON THAT
18 PORTION OF THE HOUSING DEVELOPMENT PROJECT IF THE PROJECT WERE
19 NOT TAX EXEMPT.

20 (E) *PAYMENT OF ANNUAL SERVICE CHARGE.* THE SERVICE CHARGE IN LIEU OF
21 TAXES, AS ESTABLISHED UNDER THIS SECTION, SHALL BE PAYABLE IN THE
22 SAME MANNER AS GENERAL PROPERTY TAXES ARE PAYABLE TO THE CITY,

1 EXCEPT THAT THE ANNUAL PAYMENT SHALL BE MADE ON OR BEFORE JULY
2 1 OF THE YEAR FOLLOWING THE YEAR UPON WHICH SUCH CHARGE IS
3 CALCULATED. COLLECTION PROCEDURES SHALL BE IN ACCORDANCE WITH
4 THE PROVISIONS OF THE GENERAL PROPERTY TAX ACT (1893 PA 206 AS
5 AMENDED; MCL 211.1 ET.SEQ.)

6 (F) *CONTRACTUAL EFFECT*. NOTWITHSTANDING THE PROVISIONS OF SECTION
7 15(A)(5) OF THE ACT TO THE CONTRARY, A CONTRACT BETWEEN THE CITY
8 AND THE SPONSOR WITH THE AUTHORITY AS THIRD-PARTY BENEFICIARY
9 UNDER THE CONTRACT, TO PROVIDE TAX EXEMPTION AND ACCEPT PAYMENT
10 IN LIEU OF TAXES AS PREVIOUSLY DESCRIBED, IS EFFECTUATED BY THE
11 ENACTMENT OF THIS SECTION.

12 (G) *COMMENCEMENT AND DURATION*. THIS SECTION SHALL REMAIN IN EFFECT
13 AND SHALL NOT TERMINATE FOR TWENTY (20) YEARS, COMMENCING WITH
14 AND INCLUDING TAX YEAR 2023, PROVIDED THAT THE SPONSOR COMPLIES
15 WITH THE REQUIREMENTS OF THE ACT AND THIS SECTION, AND FURTHER
16 PROVIDED THAT THE HOUSING DEVELOPMENT CONTINUES TO BE RENTED TO
17 LOW OR MODERATE INCOME PERSONS AT RENTS DETERMINED UNDER THE
18 LOW INCOME HOUSING TAX CREDIT PROGRAM, AS THE SAME MAYBE
19 FURTHER AMENDED OR SUPERSEDED, OR THERE IS AN AUTHORITY-AIDED OR
20 FEDERALLY-AIDED MORTGAGE ON THE HOUSING DEVELOPMENT AS
21 PROVIDED IN THE ACT, OR THE AUTHORITY OR HUD HAS AN INTEREST IN THE
22 PROPERTY; BUT IN NO EVENT BEYOND DECEMBER 31, 2042. IF THE SPONSOR
23 CHANGES THE SCOPE OR PURPOSE OF THE SEVENTY-SIX (76) UNITS OF

1 HOUSING WITHIN THE DEVELOPMENT WITHOUT THE CONSENT OF THE CITY
2 OF LANSING, BY AND THROUGH ITS REPRESENTATIVES, AND IN ACCORDANCE
3 WITH THE REQUIREMENTS OF THE LANSING CITY CHARTER, AND THE
4 SPONSOR OR OTHER RESPONSIBLE PARTY DOES NOT CURE THE VIOLATION
5 AFTER NOTICE IS GIVEN AS PROVIDED IN THE MANNER CONSISTENT WITH
6 THE METHOD CONTAINED IN SECTION 206.18(b) OF THESE CODIFIED
7 ORDINANCES, THEN THIS SECTION SHALL AUTOMATICALLY EXPIRE AND BE
8 OF NO EFFECT. IF THE CONSTRUCTION OF THE HOUSING DEVELOPMENT DOES
9 NOT COMMENCE WITHIN 1 YEAR FROM THE EFFECTIVE DATE OF THIS
10 SECTION, THIS SECTION SHALL AUTOMATICALLY EXPIRE AND BE OF NO
11 EFFECT.

12 SECTION 2. All ordinances, resolutions or rules, ordinances, parts of ordinances,
13 including Ordinance No 1271, dated January 21, 2021, resolutions or rules inconsistent with the
14 provisions hereof are hereby repealed as they pertain to Walter French at the time this exemption
15 commences.

16 SECTION 3. Should any section, clause or phrase of this ordinance be declared to be
17 invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other
18 than the part so declared to be valid.

19 SECTION 4. This Ordinance shall take effect on the 30th day after enactment unless given
20 immediate effect by the City Council.

21 Approved as to form:

22 _____
23 James D. Smiertka, City Attorney

24 Dated: _____
25

RESOLUTION #2021-

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday _____, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of supporting and/or opposing the Ordinance establishing a Payment in Lieu of Taxes (PILOT) for Cedar Place, 201 W. Jolly Rd., Lansing.

**Department of Economic
Development and Planning**
Brian McGrain, Director



Andy Schor, Mayor

Development Office
316 N. Capitol Avenue, Suite D-1
Lansing, Michigan 48933
PH: 517.483.4040 – FAX: 517.483.6036
www.lansingmi.gov/development

MEMORANDUM

TO: Mayor Schor

FROM: Barbara Kimmel, Interim Development Manager

DATE: 7.21.21

SUBJECT: PILOT Ordinance for Cedar Place

In July of 2021, Economic Development and Planning (ED&P) received an application for Payment In Lieu of Taxes (PILOT) from Walter French LDHA LP, as well as required documentation.

Request and description of project: The request for a site specific PILOT ordinance is submitted by Jonathan Rose Companies. The request is for a 40-year 4% PILOT for property located at 201 W. Jolly Rd. Cedar Place Apartments is a 220 unit mixed income apartment community located in Lansing. Ownership has received a new federal Section 8 HAP contract providing affordable housing for 94 units. The remaining 126 units will become rent-restricted during the LIHTC transaction.. The completed project will contain a total of 220 one (1) bedroom units to house low and moderate income residents. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in 2022.

The draft PILOT Ordinance is attached, along with the Prevailing Wage agreement and a Resolution for Setting a Public Hearing.

THE DED&P NOW ASKS THE MAYOR TO FORWARD THE ATTACHED PILOT ORDINANCE TO CITY COUNCIL FOR TIMELY PLACEMENT ON THE CITY COUNCIL AGENDA FOR THE SCHEDULED MEETING ON JULY 26, 2021.

GENERAL INFORMATION

APPLICANT: (Developer)	Jonathan Rose Companies 6000 Freedom Square Drive Independence, OH 44131
OWNERSHIP ENTITY:	Cedar Place Preservation Limited Dividend Housing Association, Limited Partnership
STATUS OF APPLICANT:	Newly formed ownership entity
REQUESTED PILOT:	4% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	40 years
EXISTING LAND USE:	Multi Family, 8 story, 220 units
EXISTING ZONING:	MS-2 Community Mixed-Use Center
PROPERTY SIZE & SHAPE:	7.74 acre irregularly shaped parcel with frontage on Jolly Rd, containing an .
SURROUNDING LAND USE:	N: Residential S: School E: Commercial W: Church
SURROUNDING ZONING:	N: R-2 Suburban Detached Residential and R-MX Residential Mix S: R-AR Residential Adaptive Reuse E: MS-2 Community Mixed Use Center W: R-AR Residential Adaptive Reuse

PROJECT ANALYSIS

Request and description of project: The request for a site specific PILOT ordinance is submitted by Jonathan Rose Company ("The Developer"). The request is for a 40-year 4% PILOT for property located at 715 W. Willow (PPN 33-01-01-08-427-031. Cedar Place Apartments is a 220 unit mixed income apartment community located in Lansing. Ownership has received a new federal Section 8 HAP contract providing affordable housing for 94 units. The remaining 126 units will become rent-restricted during the LIHTC transaction.. The completed project will contain a total of 220 one (1) bedroom units to house low and moderate income residents. The project will be submitted for Low Income Housing Tax Credit award in October 2021. Construction will be completed in 2022.

The project includes \$8,613.832 for renovations, including unit improvements, common area and exterior renovations, building system and mechanical upgrades, and major renovation of the common areas, which will include the addition of space for resident programming.

Improvements include parking lot repairs, restoration of balconies including structural supports, new garage roof, replacement of 4 catch basins, concrete sidewalk, curb, courtyard and back drive replacement, boiler and chiller replacement, fire pump replacement, new generator, Energy Star appliances, installation of low flow plumbing fixtures, , new windows and sliding patio doors, unit painting, flooring and countertops.

ASSESSORS FINANCIAL ANALYSIS

ESTIMATE

Cedar Place Apartments

Post-Rehab property value: Developer estimate: \$22,643,624 (TDC)
 Assessor's Office estimate: \$6,434,240
 Difference: \$16,209,384

2020 millage rate: 73.8617 mills

Estimated annual property tax revenues are (2020 total taxes paid) \$115,691.78 (pre-rehab).

$$\text{Rents} - \text{Utilities} \times \text{PILOT\%} = \text{PILOT}$$
$$\text{Estimate PILOT Service Fee } (\$1,865,463 - \$251,356) \times .04 = \$64,564.28$$

Initial assessed value (IAV): \$2,937,900 Taxable Value \$1,514,498

Current SEV: \$2,937,900
Projected 2022 SEV: \$000

Post-construction assessed value: \$3,217,200

Comments: Projection of Assessor's Value (Based upon information provided in application)

Potential Annual Gross Income:	\$1,865,463
Vacancy & Bad Debt Allowance:	Built-in to Income
Effective Gross Income:	\$1,865,463
- Operating Expenses:	(\$1,048,958) (property taxes not included as an expense)
Net Operating Income:	\$816,505

Capitalization Rate: OAR 9.0%(conservative estimate) + Effective Property Tax Rate 3.69% = 12.69%

Projected Value = NOI \$816,505 / Cap Rate 12.69% = \$6,434,240

Since the subject property is currently exempt from ad valorem property taxation it provides no direct revenue to the various taxing authorities. The creation and the adoption of a PILOT for the subject property would have a positive impact and provide an additional source of revenue for the taxing authorities to help offset the cost of services provided and services to be provided to the new occupants.

RECOMMENDATION

Staff recommends adoption of the PILOT ordinance based on the following:

The project is consistent with Form Based Code and will accomplish needed repairs and preserve 220 affordable housing units.

..

July ___, 2021

CEDAR PLACE ASSOCIATES LIMITED PARTNERSHIP
("Owner")

Attn:

Re: Prevailing Wage ("Davis-Bacon") Determination for CEDAR PLACE
ASSOCIATES LIMITED PARTNERSHIP (the "Development")

To Whom it May Concern:

City of Lansing policy requires the enforcement of the Davis-Bacon Act and other federal labor standards and requirements with respect to all housing developments receiving a benefit from the City of Lansing. The City of Lansing has agreed to grant tax exempt status to the Development and to accept a payment in lieu of taxes pursuant to the contract between the City of Lansing and the Owner. The Davis-Bacon Act requires the Owner and the Contractor to agree to pay prevailing wages to all laborers and mechanics providing work at the Development, and to certify the payment of those prevailing wage rates. The applicable Davis-Bacon prevailing wage determinations for this Development are as set forth in Exhibit A to this letter. The Federal Labor Standards provisions are also attached to this letter.

July __, 2021
Page 2

Please indicate your agreement to pay at least the greater of (1) the minimum hourly wage rate established by Michigan law or (2) the basic hourly prevailing wage rates set forth in Exhibit A and to comply with Federal Labor Standards during the construction of the Development by indicating your concurrence in the spaces provided for that purpose below. These prevailing wage determinations must be incorporated into the Construction Contract between the Owner and the Contractor (the "Contract"). The Owner and Contractor must also certify to the City of Lansing on a quarterly basis, beginning in _____, and ending upon completion of construction (as evidenced by the issuance of Certificates of Occupancy or equivalent on all of the units in the Development), that all laborers and mechanics have been paid prevailing wages as required by this Letter and under the Contract. The Certification issued by the Owner shall be in the form attached hereto as Exhibit B.

Sincerely,

CITY OF LANSING

By:_____

July __, 2021
Page 3

We hereby agree to require the Contractor to comply with the prevailing wage and other requirements contained in this letter, and to incorporate these requirements and the Federal Labor Standards Provisions in the Contract and each subcontract, as set forth in Exhibit C.

The provisions of this Letter may be enforced by the Owner, the City of Lansing, the U.S. Department of Labor, and, to the extent permitted by law, any person intended to be benefitted by them. A breach of the provisions of this Letter shall be considered a material breach of the Contract, and shall give the Owner the rights following a default under the Contract. A breach of the provisions of this Letter may also result in the debarment of the Contractor from future participation in U.S. Government contracts under 29 CFR Part 98.

SPONSOR:

JONATHAN ROSE COMPANIES

By:

Its: Managing Member

By:

Its:

We hereby agree to comply with the prevailing wage and other requirements listed in this letter, and agree that these requirements are hereby incorporated in the Contract. We further agree that representatives of each of the foregoing parties with enforcement rights shall have full and free access, during working hours and after reasonable notice, to all our labor- related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements. We further agree that we shall promptly respond to all requests for information made by the City of Lansing respecting compliance with these requirements.

We shall further cause and require to be included in all subcontracts a provision that representatives of the City of Lansing shall have full and free access, during working hours and after reasonable notice, to all labor-related books of account and records, including, but not limited to, time sheets, company payrolls and certified payrolls, of the subcontractor relating to the work under the Contract, including the right to make excerpts or transcripts from such books of account and records and related and supporting documents and statements.

_____ Construction Company, Inc.

By:

Its:

EXHIBIT A
**Cedar
Place
Apartments**

"General Decision Number: MI20210014 07/16/2021

Superseded General Decision Number: MI20200014

State: Michigan

Construction Type: Residential

County: Ingham County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.95 for calendar year 2021 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.95 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2021. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/01/2021
1	01/29/2021
2	07/16/2021

CARP1004-012 06/01/2020

	Rates	Fringes
CARPENTER (Form Work Only).....	\$ 19.85	20.71

* ELEC0252-006 06/01/2021

Townships of Bunker Hill, Leslie, Onondaga and Stockbridge

	Rates	Fringes
ELECTRICIAN.....	\$ 33.69	20%+10.80

* ELEC0665-010 05/31/2021

Townships of Alaiedon, Aurelius, Delhi, Ingham, Lansing, Leroy, Locke, Meridian, Vevay, Wheatfield, White Oak and Williamson

	Rates	Fringes
ELECTRICIAN.....	\$ 30.00	9.25+5.5%

ENGI0325-029 06/01/2020

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 40.38	24.85
GROUP 2.....	\$ 37.08	24.85
GROUP 3.....	\$ 34.43	24.85

FOOTNOTES:

Crane operator with main boom and jib 300' or longer: \$1.50 per hour above the group 1 rate.
Crane operator with main boom and jib 400' or longer: \$3.00 per hour above the group 1 rate.

PAID HOLIDAYS: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Crane operator with main boom and jib 400', 300', or 220' or longer.

GROUP 2: Crane operator with main boom and jib 140' or longer, tower crane, gantry crane, whirley derrick

GROUP 3: Bulldozer; Crane; Grader/Blade; Loader; Scraper

IRON0025-004 06/01/2019		
	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 36.77	29.03

LABO0499-008 10/01/2014		
	Rates	Fringes
LABORER: Mason Tender - Cement/Concrete.....	\$ 16.72	12.75

PAIN0845-002 05/21/2014		
	Rates	Fringes
PAINTER: Brush and Roller.....	\$ 16.43	11.85

PLUM0333-003 06/18/2018		
	Rates	Fringes
PIPEFITTER (Including HVAC Pipe Installation).....	\$ 25.82	18.47
PLUMBER (Excluding HVAC Pipe Installation).....	\$ 25.82	18.47

ROOF0070-012 06/01/2020		
	Rates	Fringes
ROOFER.....	\$ 30.43	15.68

SHEE0007-023 05/01/2018		
	Rates	Fringes
SHEET METAL WORKER, Includes HVAC Duct and Unit Installation.....	\$ 24.93	9.65

SUMI2010-012 09/16/2010		
	Rates	Fringes

CARPENTER, Excludes Form Work.....	\$ 17.64	6.70
CEMENT MASON/CONCRETE FINISHER....	\$ 19.27	5.85
LABORER: Common or General.....	\$ 17.21	5.46
LABORER: Landscape.....	\$ 9.64	2.81
LABORER: Pipelayer.....	\$ 17.95	5.46
OPERATOR: Backhoe/Excavator.....	\$ 19.94	5.46
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 17.66	7.65
TRUCK DRIVER: Dump Truck.....	\$ 17.00	5.71

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an

interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

EXHIBIT B

Prevailing Wage Certification

[INSERT DATE]

City of Lansing
Attn: City Assessor's Office
124 W. Michigan Avenue
Lansing, Michigan

RE: CEDAR PLACE ASSOCIATES LIMITED PARTNERSHIP

Pursuant to that certain Prevailing Wage Letter Agreement (the "Letter") dated _____, the undersigned, CEDAR PLACE ASSOCIATES LIMITED PARTNERSHIP ("Owner"), and _____ Construction Company, Inc. ("Contractor"), hereby certify, each on their own behalf and to the best of their knowledge, to the City of Lansing that each have complied with the requirements of the Letter and that all laborers and mechanics have been paid prevailing wages as required by the Letter and under the Contract.

CEDAR PLACE ASSOCIATES LIMITED
PARTNERSHIP

By:

Its: Managing Member

By: _____

Its:

_____ Construction Company, Inc.

By: _____

Its:

Federal Labor Standards Provisions

U.S. Department of Housing
and Urban Development
Office of Labor Relations**Applicability**

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30 -day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215 -0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215- 0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis- Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215 -0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e. g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A. 3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A. 3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to, and individually registered in a program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

form HUD-4010 (06/2009)

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U. S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U. S. C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; Liability for unpaid wages; Liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91- 54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO AMEND THE CODE OF ORDINANCES OF THE CITY OF LANSING BY ADDING A NEW SECTION 888.____ FOR THE PURPOSES OF PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES FOR TWO HUNDRED AND TWENTY (220) LOW INCOME MULTI-FAMILY DWELLING UNITS IN A PROJECT KNOWN AS CEDAR PLACE, PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, AS AMENDED.

THE CITY OF LANSING ORDAINS:

SECTION 1. That Chapter 888 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new Section 888.____ to read as follows:

888.____ CEDAR PLACE

(A) *PURPOSE*. IT IS ACKNOWLEDGED THAT IT IS A PROPER PUBLIC PURPOSE OF THE STATE AND ITS POLITICAL SUBDIVISIONS TO PROVIDE HOUSING FOR ITS RESIDENTS OF LOW AND MODERATE INCOME AND TO ENCOURAGE THE DEVELOPMENT OF SUCH HOUSING BY PROVIDING FOR A SERVICE CHARGE IN LIEU OF PROPERTY TAXES IN ACCORDANCE WITH THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, BEING PUBLIC ACT 346 OF 1966, AS AMENDED [MCL 125.1401, ET SEQ.]. THE CITY IS AUTHORIZED BY SUCH ACT TO ESTABLISH OR CHANGE THE SERVICE CHARGE TO BE PAID IN LIEU OF TAXES BY ANY OR ALL CLASSES OF HOUSING EXEMPT FROM TAXATION UNDER SUCH ACT AT ANY AMOUNT IT CHOOSES, NOT TO EXCEED THE TAXES THAT WOULD BE PAID BUT FOR THIS ACT. IT IS FURTHER ACKNOWLEDGED THAT SUCH HOUSING FOR PERSONS OF LOW AND MODERATE INCOME IS A PUBLIC

1 NECESSITY, AND AS THE CITY WILL BE BENEFITED AND IMPROVED BY SUCH
2 HOUSING, THE ENCOURAGEMENT OF THE SAME BY PROVIDING CERTAIN
3 REAL ESTATE TAX EXEMPTION FOR SUCH HOUSING IS A VALID PUBLIC
4 PURPOSE.

5 (B) *DEFINITIONS.*

6 (1) "*ACT*" MEANS THE STATE HOUSING DEVELOPMENT AUTHORITY ACT,
7 BEING PUBLIC ACT 346 OF 1966, AS AMENDED.

8 (2) "*ANNUAL SHELTER RENTS*" MEANS THE TOTAL COLLECTIONS DURING AN
9 AGREED ANNUAL PERIOD FROM ALL PERSONS OF LOW OR MODERATE
10 INCOME, OCCUPYING THE HOUSING DEVELOPMENT REPRESENTING
11 RENTS FOR OCCUPANCY, WHICH RENTAL AMOUNTS SHALL BE EXCLUSIVE
12 OF CHARGES FOR GAS, ELECTRICITY, HEAT OR OTHER UTILITIES
13 FURNISHED TO THE OCCUPANTS.

14 (3) "*AUTHORITY*" MEANS THE MICHIGAN STATE HOUSING DEVELOPMENT
15 AUTHORITY.

16 (4) "*HOUSING DEVELOPMENT* " OR " *DEVELOPMENT*" MEANS A DEVELOPMENT
17 WHICH CONTAINS A SIGNIFICANT ELEMENT OF HOUSING FOR PERSONS OF
18 LOW AND MODERATE INCOME AND SUCH ELEMENTS OF OTHER HOUSING,
19 COMMERCIAL, RECREATIONAL, INDUSTRIAL, COMMUNAL AND
20 EDUCATIONAL FACILITIES AS THE AUTHORITY MAY DETERMINE WILL
21 IMPROVE THE QUALITY OF THE DEVELOPMENT AS IT RELATES TO
22 HOUSING FOR PERSONS OF LOW AND MODERATE INCOME. FOR THE

PURPOSE OF THIS SECTION, THE NAME OF THIS DEVELOPMENT IS CEDAR PLACE, AND CONSISTS OF TWO HUNDRED AND TWENTY (220) UNITS OF RENTAL HOUSING LOCATED WITHIN LANSING AT:

A PARCEL OF LAND IN THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 3 NORTH, RANGE 2 WEST, CITY OF LANSING, INGHAM COUNTY, MICHIGAN, THE SURVEYED BOUNDARY OF SAID PARCEL DESCRIBED AS: COMMENCING AT THE NORTH 1/4 COMER OF SAID SECTION 4; THENCE SOUTH ALONG THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 4 A DISTANCE OF 330.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH ALONG SAID NORTH-SOUTH 1/4 LINE 611.46 FEET (ASSESSED AS 611.45 FEET) TO A POINT 600.00 FEET NORTH OF THE NORTH LINE OF A CONSUMERS POWER COMPANY RIGHT OF WAY; THENCE NORTH 89°55'00"WEST PARALLEL WITH SAID NORTH LINE 97.77 FEET (ASSESSED AS 97.88 FEET); THENCE NORTH 38°27'40"WEST, 705.09 FEET; THENCE NORTH 11°33'30"WEST, 40.00 FEET; THENCE SOUTHWESTERLY 34.27 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 790.00 FEET, A DELTA ANGLE OF 2°29'08", AND A CHORD OF 34.27 FEET BEARING SOUTH 78°41'46"WEST; THENCE NORTH 00°11'00"EAST, 358.59 FEET TO THE NORTH LINE OF SAID SECTION 4; THENCE SOUTH 89°49'00"EAST ALONG SAID NORTH LINE, 444.80 FEET; THENCE SOUTH PARALLEL WITH SAID NORTH-SOUTH 1/4 LINE, 330.00 FEET; THENCE SOUTH 89°49'00"EAST PARALLEL WITH SAID NORTH LINE, 132.00 FEET TO THE POINT OF BEGINNING.

1 TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS FOR
2 PEDESTRIAN USE, SAID EASEMENT RUNNING WITH THE AFOREDESCRIBED
3 LAND INCLUDING THE RIGHT TO CONSTRUCT AND MAINTAIN SAID
4 WALKWAYS WITH UNDERGROUND UTILITIES, INCLUDING LIGHTING AS
5 ARE NECESSARY AND LANDSCAPING, OVER THE FOLLOWING DESCRIBED
6 PROPERTY:

7 BEGINNING ON THE NORTH-SOUTH 1/4 LINE OF SECTION 4, TOWNSHIP 3
8 NORTH, RANGE 2 WEST, CITY OF LANSING, INGHAM COUNTY, MICHIGAN,
9 AT A POINT SOUTH 941.4 FEET FROM THE NORTH 1/4 CORNER THEREOF;
10 THENCE CONTINUING ALONG SAID 1/4 LINE SOUTH 7.5 FEET; THENCE
11 NORTH 89°59'20" EAST, 263.77 FEET; THENCE SOUTH 00°00'40" EAST, 15.0
12 FEET; THENCE ALONG THE NORTHERLY LINE OF A 15 FOOT STORM DRAIN
13 EASEMENT THE FOLLOWING TWO COURSES: SOUTH 89°59'20" WEST, 323.16
14 FEET; THENCE NORTH 38°27'40" WEST, 28.89 FEET; THENCE SOUTH
15 89°55' EAST, 77.36 FEET TO THE POINT OF BEGINNING.

16 (5) "*HUD*" MEANS THE DEPARTMENT OF HOUSING AND URBAN
17 DEVELOPMENT OF THE UNITED STATES GOVERNMENT.

18 (6) "*LOW INCOME HOUSING TAX CREDIT PROGRAM*" MEANS THE PROGRAM
19 ESTABLISHED BY SECTION 42 OF THE UNITED STATES INTERNAL REVENUE
20 CODE.

21 (7) "*LOW OR MODERATE INCOME*" MEANS LOW OR MODERATE INCOME
22 ELIGIBILITY UNDER THE AUTHORITY ACT OR RULES.

1 (8) "*MORTGAGE LOAN*" MEANS A LOAN TO BE MADE BY A PRIVATE ENTITY
2 AND INSURED BY HUD, OR A LOAN FROM THE AUTHORITY FOR THE
3 FINANCING OF THE PURCHASE AND REHABILITATION OF THE HOUSING
4 DEVELOPMENT.

5 (9) "*SPONSOR*" MEANS A PERSON OR OTHER ENTITY WITH A HOUSING
6 DEVELOPMENT WHICH IS FINANCED OR ASSISTED PURSUANT TO THE ACT.
7 FOR PURPOSES OF THIS SECTION, THE SPONSOR OF CEDAR PLACE IS
8 JONATHAN ROSE COMPANIES, OR ITS SUCCESSORS OR ASSIGNS.

9 (10) "*UTILITIES*" MEANS FUEL, WATER, SANITARY SEWER AND/OR ELECTRICAL
10 SERVICE, WHICH IS PAID FOR BY THE HOUSING DEVELOPMENT.

11 (C) *ESTABLISHMENT OF ANNUAL SERVICE CHARGE.*

12 (1) THE CITY ACKNOWLEDGES THAT THE SPONSOR AND THE AUTHORITY
13 HAVE ESTABLISHED THE ECONOMIC FEASIBILITY OF CEDAR PLACE IN
14 RELIANCE UPON THE ENACTMENT AND CONTINUING EFFECT OF THIS
15 SECTION AND UPON THE QUALIFICATION OF THE TWO HUNDRED AND
16 TWENTY (220) UNITS OF HOUSING IN THE HOUSING DEVELOPMENT FOR
17 EXEMPTION FROM ALL PROPERTY TAXES AS ESTABLISHED IN THIS
18 SECTION.

19 (2) SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THIS SECTION AND
20 THE ACT, THE TWO HUNDRED AND TWENTY (220) UNITS IN THE HOUSING
21 DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME
22 IDENTIFIED AS CEDAR PLACE AND THE PROPERTY ON WHICH THEY ARE

1 CONSTRUCTED SHALL BE EXEMPT FROM ALL PROPERTY TAXES FOR NOT
2 MORE THAN FORTY (40) YEARS, COMMENCING WITH AND INCLUDING TAX
3 YEAR 2021.

4 (3) IN LIEU OF ALL SAID PROPERTY TAXES ON THE TWO HUNDRED AND
5 TWENTY (220) UNITS IN THE HOUSING DEVELOPMENT, THE SPONSOR
6 SHALL PAY, AND THE CITY WILL ACCEPT, AN ANNUAL SERVICE CHARGE
7 FOR PUBLIC SERVICES, IN THE SUM EQUAL TO, FOUR PERCENT (4%) OF THE
8 DIFFERENCE BETWEEN THE ANNUAL SHELTER RENTS ACTUALLY
9 COLLECTED AND UTILITIES.

10 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION SHALL COMMENCE
11 WHEN THE SPONSOR COMPLIES WITH SECTION 15A(1) OF 1966 PA 346, AS
12 AMENDED, CODIFIED AS MCL 125.1415A(1), WHICH PROVIDES: THE OWNER
13 OF A HOUSING PROJECT ELIGIBLE FOR THE EXEMPTION SHALL FILE WITH
14 THE LOCAL ASSESSING OFFICER (THE CITY ASSESSOR) A NOTIFICATION OF
15 THE EXEMPTION, WHICH SHALL BE IN AN AFFIDAVIT FORM AS PROVIDED
16 BY THE AUTHORITY. THE COMPLETED AFFIDAVIT FORM FIRST SHALL BE
17 SUBMITTED TO THE AUTHORITY FOR CERTIFICATION BY THE AUTHORITY
18 THAT THE PROJECT IS ELIGIBLE FOR THE EXEMPTION. THE OWNER THEN
19 SHALL FILE OR CAUSE TO BE FILED THE CERTIFIED NOTIFICATION OF THE
20 EXEMPTION WITH THE LOCAL ASSESSING OFFICER BEFORE NOVEMBER 1
21 OF THE YEAR PRECEDING THE TAX YEAR IN WHICH THE EXEMPTION IS TO
22 BEGIN.

1 (5) IN ADDITION TO THE CERTIFICATION REQUIRED PURSUANT TO
2 SUBSECTION (C)(4), THE SPONSOR SHALL PROVIDE FOR THE HOUSING
3 DEVELOPMENT ANNUALLY IN WRITING TO THE CITY ASSESSOR FOR THE
4 PRECEDING YEAR IN WHICH THE PROPERTY TAX EXEMPTION WAS IN
5 EFFECT:

6 A. THE ANNUAL AUDITED ACCOUNTING REPORT FOR THE PAYMENT IN
7 LIEU OF TAXES; AND

8 B. A CERTIFIED STATEMENT IDENTIFYING ALL THE UNITS RENTED TO
9 PERSONS OF LOW OF MODERATE INCOME; AND

10 C. IF REQUESTED BY THE CITY, PROOF THAT THE HOUSING
11 DEVELOPMENT UNITS HAVE NOT INCREASED, DECREASED, OR BEEN
12 ALTERED IN ANY FORM, UNLESS THE CITY HAS OTHERWISE AMENDED
13 THE PROVISIONS OF THIS SECTION; AND

14 (D) *LIMITATION ON THE PAYMENT OF THE ANNUAL SERVICE CHARGE.*
15 NOTWITHSTANDING SUBSECTION (C), THE SERVICE CHARGE TO BE PAID EACH
16 YEAR IN LIEU OF TAXES FOR THE PART OF THE HOUSING DEVELOPMENT
17 PROJECT THAT IS TAX EXEMPT AND OCCUPIED BY OTHER THAN LOW OR
18 MODERATE INCOME PERSONS SHALL BE EQUAL TO THE FULL AMOUNT OF
19 THE TAXES THAT WOULD OTHERWISE BE DUE AND PAYABLE ON THAT
20 PORTION OF THE HOUSING DEVELOPMENT PROJECT IF THE PROJECT WERE
21 NOT TAX EXEMPT.

1 (E) *PAYMENT OF ANNUAL SERVICE CHARGE.* THE SERVICE CHARGE IN LIEU OF
2 TAXES, AS ESTABLISHED UNDER THIS SECTION, SHALL BE PAYABLE IN THE
3 SAME MANNER AS GENERAL PROPERTY TAXES ARE PAYABLE TO THE CITY,
4 EXCEPT THAT THE ANNUAL PAYMENT SHALL BE MADE ON OR BEFORE JULY
5 1 OF THE YEAR FOLLOWING THE YEAR UPON WHICH SUCH CHARGE IS
6 CALCULATED.

7 (F) *CONTRACTUAL EFFECT.* NOTWITHSTANDING THE PROVISIONS OF SECTION
8 15(A)(5) OF THE ACT TO THE CONTRARY, A CONTRACT BETWEEN THE CITY
9 AND THE SPONSOR WITH THE AUTHORITY AS THIRD-PARTY BENEFICIARY
10 UNDER THE CONTRACT, TO PROVIDE TAX EXEMPTION AND ACCEPT PAYMENT
11 IN LIEU OF TAXES AS PREVIOUSLY DESCRIBED, IS EFFECTUATED BY THE
12 ENACTMENT OF THIS SECTION.

13 (G) *COMMENCEMENT AND DURATION.* THIS SECTION SHALL REMAIN IN EFFECT
14 AND SHALL NOT TERMINATE FOR FORTY (40) YEARS, COMMENCING WITH
15 AND INCLUDING TAX YEAR 2021, PROVIDED THAT THE SPONSOR COMPLIES
16 WITH THE REQUIREMENTS OF THE ACT AND THIS SECTION, AND FURTHER
17 PROVIDED THAT THE HOUSING DEVELOPMENT CONTINUES TO BE RENTED TO
18 LOW OR MODERATE INCOME PERSONS AT RENTS DETERMINED UNDER THE
19 LOW INCOME HOUSING TAX CREDIT PROGRAM, AS THE SAME MAYBE
20 FURTHER AMENDED OR SUPERSEDED, OR THERE IS AN AUTHORITY-AIDED OR
21 FEDERALLY-AIDED MORTGAGE ON THE HOUSING DEVELOPMENT AS
22 PROVIDED IN THE ACT, OR THE AUTHORITY OR HUD HAS AN INTEREST IN THE
23 PROPERTY; BUT IN NO EVENT BEYOND DECEMBER 31, 2041. IF THE SPONSOR

1 CHANGES THE SCOPE OR PURPOSE OF THE TWO HUNDRED AND TWENTY (220)
2 UNITS OF HOUSING WITHIN THE DEVELOPMENT WITHOUT THE CONSENT OF
3 THE CITY OF LANSING, BY AND THROUGH ITS REPRESENTATIVES, AND IN
4 ACCORDANCE WITH THE REQUIREMENTS OF THE LANSING CITY
5 CHARTER AND THE SPONSOR OR OTHER RESPONSIBLE PARTY DOES NOT CURE
6 THE VIOLATION AFTER NOTICE IS GIVEN AS PROVIDED IN THE MANNER
7 CONSISTENT WITH THE METHOD CONTAINED IN SECTION 206.18(b) OF THESE
8 CODIFIED ORDINANCES, THEN THIS SECTION SHALL AUTOMATICALLY EXPIRE
9 AND BE OF NO EFFECT. IF THE CONSTRUCTION OF THE HOUSING
10 DEVELOPMENT DOES NOT COMMENCE WITHIN 1 YEAR FROM THE EFFECTIVE
11 DATE OF THIS SECTION, THIS SECTION SHALL AUTOMATICALLY EXPIRE AND
12 BE OF NO EFFECT.

13 SECTION 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
14 inconsistent with the provisions hereof are hereby repealed as they pertain to Cedar Place at the
15 time this exemption commences.

16 SECTION 3. Should any section, clause or phrase of this ordinance be declared to be
17 invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other
18 than the part so declared to be valid.

19 SECTION 4. This Ordinance shall take effect on the 30th day after enactment unless given
20 immediate effect by the City Council.

21
22 Approved as to form:

23
24 _____
25 James D. Smiertka, City Attorney

26 Dated: _____

BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, at any time during the fiscal year, the City Council may consider appropriations and carryforwards to meet a public emergency affecting life, health, property, or the public peace; and

WHEREAS, gun violence has increased significantly in cities throughout the nation during the course of the COVID-19 public health emergency and in Lansing exists at a higher rate than seen in the past 20 years; and

WHEREAS, youth and community engagement activities can offer mutual connection and opportunities that reduce behaviors resulting in gun violence; and

WHEREAS, the Police Department, City Council, Mayor's Office, and Parks and Recreation Department are all committed to resolving this emergency in carrying forward funds from the previous fiscal year; and

NOW, THEREFORE, BE IT RESOLVED that the following remaining balances as of June 30, 2021 be reappropriated in Fiscal Year 2021/2022 as indicated:

BE IT FINALLY RESOLVED, the Administration is authorized to create appropriation accounts and to make the necessary operating transfers for the expenditure and control of the balance of the carryforwards.

<u>Appropriation</u>	<u>Description</u>	<u>Amount</u>
<u>GENERAL FUND</u>		
General Fund	Use Of Fund Balance	\$ 180,000
Police Operating	Youth Athlete Interaction Program	80,000
Mayor Operating (1)	Mentorship	20,000
Mayor Operating (2)	Athletics	20,000
Mayor Operating (3)	Science Technology, Engineering, Arts, Mathematics	20,000
Parks Operating (1)	After School Activities	20,000
Parks Operating (2)	Community Organizing Fund	20,000
	Total Community Engagement Activities	100,000
General Fund Total		\$ 180,000

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing and the Teamsters Local 214 Supervisory & Non-Supervisory Units have negotiated a collective bargaining agreement (the "CBA") for the period covering January 1, 2021 through December 31, 2021, which is summarized in the Tentative Agreement Document approved by the parties effective June 30, 2021 ("Tentative Agreement") and which contains the changes to the prior CBA; and

WHEREAS, the Union membership ratified this agreement on July 21, 2021; and

WHEREAS, the Mayor recommends the CBA, as summarized in the Tentative Agreement, be approved;

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby ratifies the Tentative Agreement of the parties for the CBA between the City of Lansing and the Union, Teamsters Local 214 Supervisory & Non-Supervisory Units for the period covering January 1, 2021 through December 31, 2021.

July 2, 2021

Michigan Municipal League Annual Meeting Notice

JUL12'21 12PMCLERK

(Please present at the next Council, Commission or Board Meeting)

Dear Official:

The Michigan Municipal League Annual Convention will be held in Grand Rapids, September 22-24, 2021. The League's "Annual Meeting" is scheduled for 4:15 pm on Wednesday, September 22 in Ambassador Ballroom East at the Amway Grand Hotel. The meeting will be held for the following purposes:

1. Election of Trustees. To elect six members of the Board of Trustees for terms of three years each (see #1 on page 2).
2. Policy. A) To vote on the Core Legislative Principles document.

In regard to the proposed League Core Legislative Principles, the document is available on the League website at <http://www.mml.org/delegate>. If you would like to receive a copy of the proposed principles by fax, please call Monica Drukis at the League at 800-653-2483.

B) If the League Board of Trustees has presented any resolutions to the membership, they also will be voted on. (See #2 on page 2.)

In regard to resolutions, member municipalities planning on submitting resolutions for consideration by the League Trustees are reminded that under the Bylaws, they must be submitted to the Trustees for their review by August 20, 2021.

3. Other Business. To transact such other business as may properly come before the meeting.

Designation of Voting Delegates

Pursuant to the provisions of the League Bylaws, you are requested to designate by action of your governing body one of your officials who will be in attendance at the Convention as your official representative to cast the vote of the municipality at the Annual Meeting, and, if possible, to designate one other official to serve as alternate. Please submit this information through the League website by visiting <http://www.mml.org/delegate> no later than August 20, 2021.



Regarding the designation of an official representative of the member to the annual meeting, please note the following section of the League Bylaws:

“Section 4.4 - Votes of Members. Each member shall be equally privileged with all other members in its voice and vote in the election of officers and upon any proposition presented for discussion or decision at any meeting of the members. Honorary members shall be entitled to participate in the discussion of any question, but such members shall not be entitled to vote. The vote of each member shall be cast by its official representative attending the meeting at which an election of officers or a decision on any proposition shall take place. Each member shall, by action of its governing body prior to the annual meeting or any special meeting, appoint one official of such member as its principal official representative to cast the vote of the member at such meeting, and may appoint one official as its alternate official representative to serve in the absence or inability to act of the principal representative.”

1. Election of Trustees

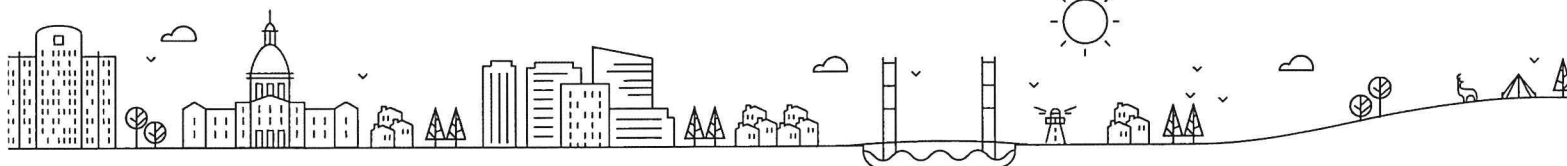
Regarding election of Trustees, under Section 5.3 of the League Bylaws, six members of the Board of Trustees will be elected at the annual meeting for a term of three years. The regulations of the Board of Trustees require the Nominations Committee to complete its recommendations and post the names of the nominees for the Board of Trustees on a board at the registration desk at least four hours before the hour of the business meeting.

2. Statements of Policy and Resolutions

Regarding consideration of resolutions and statements of policy, under Section 4.5 of the League Bylaws, the Board of Trustees acts as the Resolutions Committee, and “no resolution or motion, except procedural and incidental matters having to do with business properly before the annual meeting or pertaining to the conduct of the meeting, shall be considered at the annual meeting unless it is either (1) submitted to the meeting by the Board of Trustees, or (2) submitted in writing to the Board of Trustees by resolution of the governing body of a member at least thirty (30) days preceding the date of the annual meeting.” Thus, the deadline this year for the League to receive resolutions is **August 20, 2021**. Please submit resolutions to the attention of Daniel P. Gilmartin, Executive Director/CEO at 1675 Green Rd., Ann Arbor, MI 48105. Any resolution submitted by a member municipality will go to the League Board of Trustees, serving as the resolutions committee under the Bylaws, which may present it to the membership at the Annual Meeting or refer it to the appropriate policy committee for additional action.

Further, “Every proposed resolution submitted by a member shall be stated in clear and concise language and shall be accompanied by a statement setting forth the reasons for recommending the proposed resolution. The Board shall consider the proposal at a Board meeting prior to the next annual meeting and, after consideration, shall make a recommendation as to the advisability of adopting each such resolution or modification thereof.”

We love where you live.



3. Posting of Proposed Resolutions and Core Legislative Principles

The proposed Michigan Municipal League Core Legislative Principles and any new proposed Resolutions recommended by the Board of Trustees for adoption by the membership will be available on the League website, or at the League registration desk to permit governing bodies of member communities to have an opportunity to review such proposals and delegate to their voting representative the responsibility for expressing the official point of view of the member at the Annual Meeting.

The Board of Trustees will meet on Tuesday, September 21 at Amway Grand Hotel for the purpose of considering such other matters as may be requested by the membership, in addition to other agenda items.

Sincerely,



William Wild
President
Mayor, City of Westland



Daniel P. Gilmartin
Executive Director & CEO



We love where you live.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

Tuesday, July 13, 2021

G. Sal Gani, Attorney
c/o MEENU 95 LLC
sal@ganilaw.com

RID # RQ-2106-05391 **Reference/Transaction:** TRANSFER OWNERSHIP ESCROWED 2021 SDD AND SDM LICENSED BUSINESS WITH SUNDAY SALES PERMIT (AM) AND SUNDAY SALES PERMIT (PM) FROM CARLO LITRENTA, JANET D. LITRENTA, PERSONAL REPRESENTATIVE AT 6065 S WASHINGTON AVE, LANSING, MI 48911-4910 IN LANSING CITY IN INGHAM COUNTY

Please let this letter serve as notice the Michigan Liquor Control Commission has referred your application to our Enforcement Division for investigation of your request.

Applicant/Licensee: MEENU 95 LLC

Business address and phone number: 6065 S WASHINGTON AVE, LANSING, MI 48911-4910 IN LANSING CITY IN INGHAM COUNTY

Home address and phone number of partner(s)/subordinates:

Ramdeep Singh Multani; 5207 Fairbanks Lansing MI 48917; Business and Cell: 517-862-5440

As part of the licensing process, an investigation is required by the Michigan Liquor Control Commission Enforcement Division. The Enforcement investigation will be conducted from the following designated District Office:

Lansing District Office (517) 284-6330

You may contact your designated District Office regarding any appointments or questions on documentation requested by the Investigator. **Failure to provide requested information or to keep scheduled appointments will cause the application to be returned to the Lansing office for cancellation.**

Since this request is a transfer under MCL 436.1529(1), approval of the local unit of government is not required. However, a copy of this notice is also being provided to **Local Governmental Unit** should they wish to submit an opinion on the application or advise of any local non-compliance issues.

Under administrative rule R 436.1105, the Commission shall consider the opinions of the local residents, local legislative body, or local law enforcement agency with regard to the proposed business when determining whether an applicant may be issued a license or permit.

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. The licensee must obtain all other required state and local licenses, permits, and approvals before using this license for the sale of alcoholic liquor. Approval of this license by the Michigan Liquor Control Commission does not waive any of these requirements.

MICHIGAN LIQUOR CONTROL COMMISSION
Retail Licensing Division
(866) 813-0011

cc: MEENU 95 LLC rmultani91@gmail.com
LANSING CITY city.clerk@lansingmi.gov



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

July 22, 2021

The Green Door Blue Bar and Grill, LLC
c/o Michael Brown
(email: mbrown@cebhlaw.com)

RID #2107-06437

Reference/Transaction: Transfer Membership Interest; and as a result, existing member Jonathan Woolston will hold 85% membership interest and existing member Jennifer Costigan will hold 15% membership interest, in conjunction with 2021 Class C and SDM licensed company with Sunday Sales Permit (PM), Dance Permit and Outdoor Service (1 Area) located at 2005-2007-2009 E. Michigan Ave., Lansing, MI. 48912, Ingham County.

Please let this letter serve as notice the Michigan Liquor Control Commission has authorized this application for a license.

Applicant/Licensee: The Green Door Blues Bar and Grill, LLC

Business address and phone number: 2005-2007-2009 E. Michigan Ave., Lansing, MI. 48912, Ingham County (B) 517-482-6376

Home address and phone number of partner(s)/subordinates: Jennifer Costigan, 2001 Jerome, Lansing, MI. 48912 (B) 517-482-8376 (C) 517-803-1479

As part of the licensing process, an investigation is required by the Michigan Liquor Control Commission Enforcement Division. The Enforcement investigation will be conducted from the following designated District Office:

Lansing District Office (517) 284-6330

You may contact your designated District Office regarding any appointments or questions on documentation requested by the Investigator. **Failure to provide requested information or to keep scheduled appointments will cause the application to be returned to the Lansing office for cancellation.**

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**MICHIGAN LIQUOR CONTROL COMMISSION
PAT GAGLIARDI, CHAIR**

525 W. Allegan St. • P.O. BOX 30005 • LANSING, MICHIGAN 48909
www.michigan.gov/lcc • 866-813-0011

Under administrative rule R 436.1105, the Commission shall consider the opinions of the local residents, local legislative body, or local law enforcement agency with regard to the proposed business when determining whether an applicant may be issued a license or permit.

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. The licensee must obtain all other required state and local licenses, permits, and approvals before using this license for the sale of alcoholic liquor.

Approval of this license by the Michigan Liquor Control Commission does not waive any of these requirements.

MICHIGAN LIQUOR CONTROL COMMISSION
Retail Licensing Division
(866) 813-0011

jmm

cc: Lansing City Council

Lin, Nicole

From: Dot Johnson <dotjohnson3112@gmail.com>
Sent: Sunday, July 18, 2021 4:25 PM
To: City Council
Cc: Clerk, City
Subject: [EXTERNAL] City Inefficiency?

City Clerk: please put this in the city record.

Question: Why do the same people who mow Poxson Park in our neighborhood not mow the boulevard on Brookland at Cedar St?

Personally, I like the more natural look, but neighbors complain about the boulevard not being mowed.

Seems like with a little bit of communication, some of the silos in the city could come down and save a bit of city money. Instead of Dept A sending out a whole crew to mow... Dept B is already there and could simply swing by and take five or ten minutes to mow that little bit of grass.

The city would save the mobilization cost of sending a second mowing crew to the neighborhood.

Dot Johnson

5/00 (5)

You will not be called to speak unless all required blanks on this form are completed.



Public Comment on City Government Matters Registration

*The City of Lansing welcomes and encourages public comment relating to City Government Related Matters. In order to facilitate public input, you **MUST** complete this card and submit it to the City Clerk or City Clerk Staff prior the close of registration as announced by the City Clerk.*

Each member of the public who has registered to speak will have up to a total of three minutes to address Council on City Government Related Matters that concern them. A **City Government Related Matter is an issue or topic relevant to the operation or governance of the City.***

Topic(s) to be addressed Banked Choice Voting

Name (print) James R. Lancaster E-Mail (optional) lancaster-buf@comcast.net

Address (street, city, zip) 210 Brookstone Circle Detroit MI 48202

Company or organization represented, etc. (if applicable) Bank MI Vote

Signature [Signature]

- Public speakers will be called by the City Clerk. When the City Clerk recognizes you, please proceed to the speaker's podium and speak directly and clearly into the microphone. Do not touch the microphone.
- Direct your comments to the Council President.
- No speaker called upon to speak shall by speech or conduct disturb, disrupt, delay, interfere with, or otherwise impede the orderly conduct of the Council meeting.
- No personal attacks or defamatory remarks towards any person will be permitted.
- Questions raised during public comment may or may not be answered by the President, another Council Member, the Mayor, or member of the City Staff during the meeting.
- Time limit to address the council on legislative matters is **3 Minutes***.
- Spokespersons for a group or shared viewpoint are encouraged; however, a speaker's time limit may not be increased through assignment of someone else's time or opportunity to speak.
- No registrations will be accepted after the deadline as announced by the City Clerk.
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Thank you for your involvement and interest in our City,
Chris Swope, Lansing City Clerk, MiPMC / MMC

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Persons with disabilities who need an accommodation to fully participate in this meeting should contact the City Clerk's Office at (517) 483-4131 (TDD (517) 483-4479). 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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Public Comment on City Government Matters Registration

*The City of Lansing welcomes and encourages public comment relating to City Government Related Matters. In order to facilitate public input, you **MUST** complete this card and submit it to the City Clerk or City Clerk Staff prior the close of registration as announced by the City Clerk.*

Each member of the public who has registered to speak will have up to a total of three minutes to address Council on City Government Related Matters that concern them. A **City Government Related Matter is an issue or topic relevant to the operation or governance of the City.***

Topic(s) to be addressed Ranked choice voting

Name (print) Max Donovan E-Mail (optional) _____

Address (street, city, zip) 2247 Winton Blvd. Rochester Hills MI 48309

Company or organization represented, etc. (if applicable) RankMIVote

Signature [Signature]

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Topic(s) to be addressed Ranked Choice, Hybrid Meetings
Name (print) Kyle Richard E-Mail (optional) 317kyle@gmail.com
Address (street, city, zip) 916 West St

Company or organization represented, etc. (if applicable) _____

Signature [Handwritten Signature] (Ri - shard)

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Topic(s) to be addressed Misc

Name (print) Loretta Stanaway E-Mail (optional) _____

Address (street, city, zip) 546 Armstrong Rd

Company or organization represented, etc. (if applicable) _____

Signature Loretta Stanaway

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Topic(s) to be addressed Governance

Name (print) Michael Lynn E-Mail (optional) _____

Address (street, city, zip) 1133 S. W. Taylor

Company or organization represented, etc. (if applicable) _____

Signature [Signature]

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RESOLUTION #2021-150
BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is required that a method of election of elective officers be provided for by Charter; and

WHEREAS, it has been argued that the current methods of election codified by Charter may contribute to insufficient choice and participation for residents; and

WHEREAS, it has been argued that other methods of election may be more efficient while providing citizens with a superior range of options;

WHEREAS, in the event that the electors adopt the pending Charter amendment to elect City officers by the instant run-off voting procedure, the use of primary elections for these officers will be eliminated;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lansing, pursuant to the authority of the Home Rule Cities Act (MCL 117.1, et. seq.), and by a three-fifths (3/5) vote of its members elect, hereby proposes that the following amendment to Article 2, Chapter 2, Sections 2-201, 2-203, 2-204, and 2-406 of the Lansing City Charter be submitted, to the electors of the City for adoption or rejection at the election to be held on November 2, 2021:

Chapter 2 ELECTION OF OFFICERS

2-201 Time Of Elections

.1 IF THIS CHARTER IS AMENDED TO PROVIDE FOR AN INSTANT RUN-OFF VOTING PROCEDURE FOR THE ELECTION OF THE OFFICES OF MAYOR, CITY CLERK, AND CITY COUNCIL, UPON THE EFFECTIVE DATE OF THE IMPLEMENTATION OF THE INSTANT RUN-OFF VOTING PROCEDURE, THE PRIMARY ELECTIONS TO DETERMINE THE CITY OFFICE CANDIDATES SHALL BE ELIMINATED AND THE REFERENCE TO PRIMARY ELECTIONS SHALL BE REMOVED FROM CHARTER SECTIONS 2-201, 2-203, 2-204, AND 2-406.

.2 ~~The primary and general~~ Elections for all City offices shall be held ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER. ~~at the time provided by State law.~~

2-203 - Wards.

.1 The City of Lansing shall be divided into four (4) wards, from each of which a member of the City Council shall be nominated and elected.

.2 Each ward shall have the same boundaries as shall exist on the effective date of this Charter until changed in accord with law.

.3 The Election Commission shall revise the boundaries of the wards within sixty (60) days after the figures from the Federal decennial census become available. New ward boundaries created within one hundred twenty (120) days of a City primary election shall become effective after the NEXT general election.

.4 The Election Commission shall, to the greatest extent possible, establish wards that are compact, contiguous and of equal population.

2-204 Method Of Nomination

.1 The method of nomination for all elective offices in the City shall be by petition, or by a candidate submitting a filing fee. ~~A primary election shall be on those occasions when the number of persons submitting valid nominating petitions or filing fees exceeds twice the number of positions to be filled in the office.~~

.2 Nominating petitions submitted by candidates for offices to be filled by voters of a ward shall be signed by at least one hundred (100), but no more than one hundred fifty (150), of the persons registered to vote in the ward in which the election is to be held.

.3 Nominating petitions submitted by candidates for offices to be filled by the voters of the City at large shall be signed by at least four hundred (400), but not more than six hundred (600), of the registered electors of the City.

.4 In lieu of submitting nominating petitions, a candidate may nominate himself or herself for City office by submitting a filing fee of one hundred dollars (\$100). The filing fee shall be nonrefundable.

.5 The City Clerk shall assist members of the public by providing information regarding the requirements for candidacy, and in the preparation of petitions.

.6 Neither nominating petitions, nor filing fees shall be accepted unless accompanied by an affidavit sworn to or affirmed by the candidate, stating that the candidate possesses the legal qualifications for the office and requesting that the candidate's name be printed on the ballot.

2-406 - Special elections.

.1 Special City elections shall be held when called by resolution of the City Council at least fifty (50) days in advance of the election, or when required by this Charter or State law. Any resolution calling a special election shall set forth the purpose of such election.

RESOLUTION #2021-149
BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is required that a method of election of elective officers be provided for by Charter; and

WHEREAS, it has been argued that the current methods of election codified by Charter may contribute to insufficient choice and participation for residents; and

WHEREAS, it has been argued that other methods of election may be more efficient while providing citizens with a superior range of options;

WHEREAS, in the event that the electors adopt the pending Charter amendment to elect City officers by the instant run-off voting procedure, the use of primary elections for these officers will be eliminated;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lansing, pursuant to the authority of the Home Rule Cities Act (MCL 117.1, et. seq.), and by a three-fifths (3/5) vote of its members elect, hereby proposes that the following amendment to Article 2, Chapter 2, Sections 2-205, 2-206, and the addition of Section 2-207 of the Lansing City Charter be submitted, to the electors of the City for adoption or rejection at the election to be held on November 2, 2021:

Chapter 2 ELECTION OF OFFICERS

2-205 METHOD OF ELECTION

.1 THE PERSON RECEIVING THE HIGHEST NUMBER OF VOTES FOR ANY OFFICE SHALL BE DEEMED TO HAVE BEEN DULY ELECTED TO THAT OFFICE, UNTIL SUCH TIME AS VOTING MACHINE EQUIPMENT CAPABLE OF IMPLEMENTING INSTANT RUN-OFF VOTING IS AVAILABLE AND OBTAINED BY THE CITY OF LANSING, AND SUCH EQUIPMENT IS APPROVED BY THE ELECTION COMMISSION; THEREAFTER, FOR THE OFFICES OF MAYOR, CITY CLERK, AND CITY COUNCIL A CANDIDATE SHALL BE ELECTED FOR THAT OFFICE BY RECEIVING MORE THAN 50% OF THE VOTES CAST USING THE FOLLOWING METHOD: EACH VOTER SHALL DESIGNATE THE CANDIDATES FOR OFFICE BY RANKING THE CANDIDATES IN ORDER OF THE VOTER'S PREFERENCE. IF A CANDIDATE RECEIVES MORE THAN 50% OF FIRST PREFERENCE VOTES, THEN THE CANDIDATE IS ELECTED. IF NO CANDIDATE RECEIVES MORE THAN 50% OF THE FIRST PREFERENCE VOTE, THE CANDIDATE WITH THE FEWEST FIRST PREFERENCE VOTES SHALL BE ELIMINATED AND THE ELIMINATED CANDIDATES VOTERS' SECOND PREFERENCE VOTES SHALL BECOME THEIR FIRST PREFERENCE AND BE ADDED TO THE FIRST PREFERENCE VOTES OF THE REMAINING CANDIDATES. THIS PROCESS OF ELIMINATION AND REALLOCATION OF VOTES BY ORDER OF

VOTER PREFERENCE SHALL CONTINUE UNTIL ONE CANDIDATE RECEIVES MORE THAN 50% OF THE VOTE AND IS THEREFORE ELECTED.

.2 CITY COUNCIL AT LARGE ELECTIONS: WHEN MORE THAN ONE CANDIDATE IS TO BE ELECTED, THEN THE PROCESS OF PREFERENTIAL RANKING OF CANDIDATES AND ELIMINATION OUTLINED IN 2-205.1 SHALL BE FOLLOWED. ONCE THE FIRST CANDIDATE IS ELECTED, ALL BALLOTS ARE RECOUNTED AND THE NEXT CANDIDATE WHO RECEIVES MORE THAN 50% OF THE VOTES IS ELECTED, EXCEPT THAT THE ALREADY ELECTED CANDIDATE IS ELIMINATED AND THE SECOND PREFERENCE OF THE VOTERS FOR THAT CANDIDATE ARE COUNTED INSTEAD, WITH THAT PROCESS BEING CONTINUED UNTIL THE SECOND CANDIDATE RECEIVES MORE THAN 50% OF VOTES.

.3 THE INSTANT RUN-OFF VOTING PROCEDURE IN THIS SECTION 2-205 SHALL BECOME EFFECTIVE ONLY IF THE PENDING CHARTER AMENDMENTS TO ELIMINATE PRIMARY ELECTIONS OF CITY OFFICERS IS SIMULTANEOUSLY PASSED.

2-205 2-206 Election Commission

.1 The conduct of City elections shall be the responsibility of the Election Commission consisting of the City Clerk, the City Attorney and the Assessor. The City Clerk shall preside.

.2 The Election Commission shall prescribe the procedures to be followed in the conduct of City elections in accord with state law AND THIS CHAPTER.

2-206 2-207 State Law To Apply

The general election laws of the state as supplemented by the provisions of this Charter and relevant ordinances shall apply to the qualifications and registration of voters, the filing for office by candidates, and the conduct and canvass of City elections.

BE IT FURTHER RESOLVED that in accordance with the Home Rule Cities Act (MCL 117.1, et. seq.), the question shall be captioned and stated on the ballot as follows:

CITY OF LANSING CHARTER AMENDMENT
INSTALLMENT OF RANKED-CHOICE (AUTOMATIC RUNOFF) VOTING BY
AMENDING THE LANSING CITY CHARTER ARTICLE 2, SECTION 2-205, AND
RENUMBERING THE REMAINING SECTIONS OF ARTICLE 2 THEREAFTER

This amendment provides for election of the mayor, city clerk, and council members by majority vote using an instant run-off voting procedure of counting votes (as soon as the City acquires voting machine equipment approved by the City Election Commission) if the Charter is simultaneously amended to eliminate primary elections. Voters shall designate first preferences and subsequent preferences; if no candidate receives more than 50% of first preference votes the candidate with the fewest first preferences is

eliminated and the secondary preferences for that candidate are recounted until a candidate receives a majority of votes.

Shall this amendment be adopted?

 YES
 NO

BE IT FURTHER RESOLVED that the Charter amendment would take effect on January 1, 2022.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed and authorized to, in accordance with the Home Rule Cities Act (MCL 117.1, et. seq.), transmit a copy of this resolution and roll call vote on it, along with a copy of the proposed amendment to the Governor of the State of Michigan for approval and a copy to the Attorney General of the State of Michigan for approval as to the form in which the proposal shall be presented to the electors.

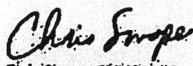
BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to cause the above proposal to be placed on the ballot at the election to be held on November 2, 2021.

BE IT FURTHER RESOLVED that the ballot wording is hereby certified to the City Clerk for submission to the City's electors at the election to be held on November 2, 2021.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to give notice of the election and notice of registration therefore in the manner prescribed by law and to do all things and to provide all supplies necessary to submit the ballot proposal to the vote of the electors as required by law.

BE IT FURTHER RESOLVED that in accordance with law, the City Clerk shall post the proposed Charter amendment in full at each polling place.

BE IT FINALLY RESOLVED that the canvass and determination of the votes of said question shall be made in accordance with the laws of the State of Michigan and the Charter of the City of Lansing.


Chris Swope, CM/MC/MYC
Lansing City Clerk

I hereby certify that the foregoing is true
and is a complete copy of the action
adopted by the Lansing City Council.



Chris Swope
Lansing City Clerk

July 13, 2021

Governor Gretchen Whitmer
P.O. Box 30013
Lansing, Michigan 48909

RE: City of Lansing Proposed Charter Amendment: Elimination of City Primary Election

Dear Governor Whitmer:

On July 12, 2021, the City Council of the City of Lansing, by a vote of 7 yeas and 0 nays, has adopted the enclosed resolution to propose an amendment to the Lansing City Charter. The resolution places the question before Lansing voters on November 2, 2021.

Pursuant to the Home Rule City Act, specifically MCL 117.22, I am submitting the proposal for your approval.

Please contact me if any further information is needed.

Sincerely,

Chris Swope, MiPMC / MMC
Lansing City Clerk

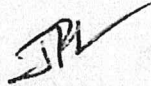
Enclosure: City of Lansing Resolution 2021-150

Lansing City Clerk Chris Swope
Ninth Floor, City Hall, 124 W. Michigan Ave., Lansing, MI 48933-1695
517-483-4131 • TTY 711 • 517-377-0068 FAX
www.lansingmi.gov/clerk • city.clerk@lansingmi.gov



MEMORANDUM

TO: Members of the Lansing City Council

FROM: James R. Lancaster, Legal Counsel 
Rank MI Vote Ballot Question Committee

RE: City of Lansing Resolutions 2021-149 and 2021-150

DATE: April 26, 2021

I represent Rank MI Vote Ballot Question Committee ("RMV"). RMV was formed for the purpose of promoting the use of Ranked Choice Voting ("RCV") in Michigan. I have been working closely with Jim DeLine and Hugh McNichol regarding the above referenced resolutions.

Attached is a letter I have submitted to Governor Whitmer supporting your request for her approval of the ballot questions that would implement Ranked Choice Voting ("RCV") for elections to city offices. In summary, we believe that assertions that implementation of RCV by Home Rule Cities is violative of the Michigan Election Law are erroneous. The primary issues raised in our letter to Governor Whitmer are:

- Mich. Const. Art. 2, §4(2) grants broad authority to the Legislature to regulate the "time, place and manner" of all elections.
- Mich. Const. Art. 7, §22 grants broad self-governance authority to Home Rule Cities.
- In Section 117.3 of the Home Rule City Act the Legislature has delegated to Home Rule Cities the power to provide in their charters the "time, manner, and means" of holding elections for City offices.
- Sections 321 and 323 of the Michigan Election Law acknowledge that the election of city officers must be in accordance with its city charter, and that the conduct of elections, the canvass and certification of the returns, and all other particulars shall be in accordance "*as nearly as may be*," with the provisions of the Michigan Election Law. Thus, strict compliance with the Michigan Election Law is not required for implementation of RCV.

So, in summary, we believe that RCV can be implemented by the City of Lansing under existing law. If you have any questions, please do not hesitate to contact me.



July 26, 2021

The Honorable Gretchen Whitmer
Governor
State of Michigan
111. S. Capitol Ave., 2nd Floor
Lansing, Michigan 48933

Re: City of Lansing Resolutions 2021-149 and 2021-150
Proposing Implementation of Ranked Choice Voting

I represent Rank MI Vote Ballot Question Committee ("RMV"). RMV was formed for the purpose of promoting the use of Ranked Choice Voting ("RCV") in Michigan.

On behalf of RMV, I am writing in support of the request by the City of Lansing for your approval, pursuant to Home Rule City Act ("HRCA") § 22, MCL 117.22, of the ballot language in City of Lansing Resolutions 2021-149 and 2021-150. These resolutions propose to present to the voters amendments to the Lansing City Charter implementing Ranked-Choice voting for City of Lansing elections.¹ Resolution 2021-149 proposes to implement what it describes as "ranked-choice/instant run-off" voting for the positions of mayor, city clerk and city council. Resolution 2021-150 proposes to eliminate the primary election for these positions. These proposals are tie-barred.

This letter sets forth my analysis of the Michigan Constitution and existing statutes, including the Home Rule City Act, MCL 117.1 *et. seq.* and the Michigan Election Law, MCL 168.1 *et. seq.*, regarding the authority of Home Rule Cities to implement RCV for elections for city offices.

The 1963 Michigan Constitution and relevant statutes clearly establish that Home Rule Cities may amend their charters to implement RCV for city offices. State law clearly defers to city charters with respect to elections for city offices. Therefore, we request that, pursuant to Home Rule City Act Section 22, MCL 117.22, you approve submission of these ballot questions to the City of Lansing voters at the November 2021 General Election.

The 1963 Michigan Constitution and The Home Rule City Act

The 1963 Michigan Constitution grants broad authority to the Legislature to regulate the “time, place and manner” of elections. Article 2, §4(2) provides:

§ 4 Place and manner of elections.

Sec. 4. (2) Except as otherwise provided in this constitution or in the constitution or laws of the United States the legislature shall enact laws to regulate the time, place and manner of all nominations and elections, to preserve the purity of elections, to preserve the secrecy of the ballot, to guard against abuses of the elective franchise, and to provide for a system of voter registration and absentee voting. No law shall be enacted which permits a candidate in any partisan primary or partisan election to have a ballot designation except when required for identification of candidates for the same office who have the same or similar surnames. (Emphasis added)

The Constitution also grants broad self-governance authority to Home Rule Cities. Article 7, §22 provides:

§ 22 Charters, resolutions, ordinances; enumeration of powers.

Sec. 22. Under general laws the electors of each city and village shall have the power and authority to frame, adopt and amend its charter, and to amend an existing charter of the city or village heretofore granted or enacted by the legislature for the government of the city or village. Each such city and village shall have power to adopt resolutions and ordinances relating to its municipal concerns, property and government, subject to the constitution and law. No enumeration of powers granted to cities and villages in this constitution shall limit or restrict the general grant of authority conferred by this section. (Emphasis added)

The Legislature has delegated to Home Rule Cities the power to establish the time, place and means of conducting elections for city offices. Section 117.3 of the HRCA, MCL 117.3(a) provides the following:

117.3 Mandatory charter provisions.

Sec. 3. Each city charter shall provide for all of the following:

(a) The election of a mayor, who shall be the chief executive officer of the city, and of a body vested with legislative power, and for the election or appointment of a clerk, a treasurer, an assessor or board of assessors, a board of review, and other officers considered necessary. The city charter may provide for the selection of the mayor by the legislative body. Elections may be by a partisan, nonpartisan, or preferential ballot, or by any other legal method of voting...

.....

(c) The time, manner, and means of holding elections and the registration of electors, subject to section 26² and other applicable requirements of law. (Emphasis added).

The Michigan Election Law recognizes the autonomy of Home Rule Cities with respect to the selection of the appropriate manner to elect city officials. Michigan Election Law Section 321(1), MCL 168.321(1) provides:

168.321 City officers; qualifications, nomination, election, appointment, term, and removal; list of candidates; quorum; election or appointment of successor.

Sec. 321. (1) Except as provided in subsection (3) and sections 322, 327, 641, 642, 644e, 644f, 644g, and 646a [*none of which are relevant to this situation*], the qualifications, nomination, election, appointment, term of office, and removal from office of a city officer must be in accordance with the charter provisions governing the city. (Comment and emphasis added)

Additionally, Michigan Election Law Section 323, MCL 168.323, provides:

168.323 Board of city election commissioners; preparation of ballots, canvass of returns, conduct of primary and election; provisions governing.

Sec. 323. It is the duty of the board of city election commissioners to prepare the primary ballots to be used by the electors. The returns shall be canvassed by the board of county canvassers and the results certified to the board of city election commissioners, who shall prepare and furnish ballots for the ensuing election. The printing and distribution of ballots, equipment, and supplies, the conduct of the primary and election, the canvass and certification of the returns, and all other particulars shall be in accordance, as nearly as may be, with the provisions of this act governing general primaries and elections. (Emphasis added)

This last sentence in Section 323 recognizes that “[s]tate law defers to local rule in the sphere of city elections.” *Barrow v. City of Detroit Election Commission*, 305 Mich. App. 649, 664; 854 N.W. 2d 489 (2014). Therefore, implementation of RCV does not require strict compliance with Michigan Election Law.

The City of Lansing has the authority pursuant to the Michigan Constitution and the Home Rule City Act to amend its charter to implement RCV for elections to city offices. Michigan Election Law recognizes the supremacy of the city charter over its provisions. If the voters of the City of Lansing choose to adopt Resolutions 2021-149 and 2021-150, any provisions of Michigan Election Law that would inhibit the ability of the City to implement RCV are unenforceable.

Bureau of Elections Objections to the Implementation of RCV

The Michigan Department of State, Bureau of Elections, has maintained that RCV cannot be implemented under current Michigan law. This was expressed recently in an affidavit filed by the Director of Elections, Jonathan Brater.³ We are also aware of a more recent letter from Mr. Brater to Assistant Lansing City Attorney Lisa Hagan dated July 22, 2021. A copy of this letter is attached.

There is no question that with respect to elections for all other public offices except for city offices, RCV cannot be implemented. However, Mr. Brater's conclusion with respect to Home Rule Cities, is erroneous. It appears to be based on the premise that the Michigan Election Law supercedes all other statutes and relevant provisions of the Michigan Constitution.

Michigan Election Law specifies that candidates for all offices except for city offices are elected based on plurality voting; i.e., the candidate receiving the most votes is declared to be duly elected. For example, MCL 168.51 regarding the election of the Governor and Lieutenant Governor, states:

168.61 Governor and lieutenant governor; certificate of determination by board of state canvassers.

Sec. 61. The board of state canvassers shall determine which candidates for governor and lieutenant governor have received the greatest number of votes and shall declare such candidates to be duly elected. The said board shall forthwith make and subscribe on its statement of return a certificate of such determination and deliver the same to the secretary of state. (Emphasis added)

Similarly, for county offices, MCL 168.201 provides:

168.201 County officers; certificate of determination by board of county canvassers.

Sec. 201. The board of county canvassers shall determine which candidates for the offices named in section 191 of this act received the greatest number of votes and shall declare such candidates to be duly elected. The said board shall forthwith make and subscribe on its statement of returns a certificate of such determination and deliver same to the county clerk within 14 days following the date of the election. (Emphasis added)

Similar provisions exist for every other election except for the election of city officials. See Michigan Election Law Chapters 4 – 14, and 16-24A.

As noted above, Chapter 15 regarding City elections does not state that the candidate receiving the greatest number of votes is “declared” to be “duly elected.” Instead, Section 321(1), MCL 168.321(1), provides that:

...the qualifications, nomination, election, appointment, term of office, and removal from office of a city officer must be in accordance with the charter provisions governing the city.

And Section 323, MCL 168.323 provides:

...the conduct of the primary and election, the canvass and certification of the returns, and all other particulars shall be in accordance, as nearly as may be, with the provisions of this act governing general primaries and elections. (Emphasis added)

In other words, the City Charter is the primary determinant of the manner of electing city officials, not the Michigan Election Law.

Moreover, RCV has been successfully implemented in Michigan in the City of Eastpointe. While this occurred in the context of a federal consent decree settling a Voting Rights Act lawsuit in the case *U.S. v. City of Eastpointe, et.al.* U.S. District Court, Eastern District of Michigan, Civil Action No. 4:17-CV-10970 (2019), the Eastpointe experience illustrates the feasibility of implementing RCV for elections for city offices.

The Consent Decree in *Eastpointe* addressed three specific concerns apparently raised by the Elections Bureau regarding conflicts between the implementation of RCV and Michigan Election Law. These sections of the Michigan Election Law are:

- MCL 168.691: Prohibition of listing a candidate's name in more than one column on the ballot for the same office:

168.691 Official ballots; names of candidates; identification numeral; compliance.

Sec. 691. (1) Each board of election commissioners shall have printed on the ballot, or on ballot labels or slips to be placed on a voting machine, when used, the names of the candidates certified to that board under this act. *A candidate's name shall not be placed or printed in more than 1 column on the ballot for the same office.* A board of election commissioners for a county or city may arrange the ballots with an identification numeral placed in the same space with the name of each of the candidates. That identification numeral shall be rotated with the name of the candidate, and when rotated, shall appear in the same space with the same candidate regardless of where the candidate's name appears on the ballot.⁴

The Consent Decree stated that "Defendants may use a ranked choice ballot that lists a candidate's name in more than one column on the ballot for the same office.

- MCL 168.736b-736f: Restrictions on instructions on ballot security sleeves:

168.736b Secrecy sleeve; primary election; instructions.

Sec. 736b. Each ballot secrecy sleeve used at a primary election must either contain the following ballot *marking instructions printed on the front of the ballot secrecy sleeve or must have a clear plastic pocket on the front of the ballot secrecy sleeve that contains a printed copy of the following ballot marking instructions.*...[remainder of section spells out the specific ballot language required; it does not include or allow for instructions on RCV]

Similar language is contained in sections 736c [general elections], 736d [nonpartisan elections], 736e [special elections], and 764 [absent ballot instructions].

168.736f Ballot marking instructions; limitation.

Sec. 736f. The ballot marking instructions as provided in sections 736b, 736c [general election], 736d [non-partisan], 736e [special elections], and 764 [absent ballot instructions], are the only written ballot marking instructions that shall be provided to an elector.⁵

The Consent Decree stated that “Notwithstanding Section 736f of the Michigan Election law, Mich. Comp. Laws §168.736f, Defendants may provide ballot marking instructions compatible with ranked choice voting to electors.”

- MCL 168.795(1)(c): Voting for multiple candidates for the same office:

168.795 Electronic voting system; requirements; method for rendering electronic tabulating equipment inoperable; equipping each polling place with accessible voting device.

Sec. 795. (1) An electronic voting system acquired or used under sections 794 to 799a shall meet all of the following requirements:

.....

(c) Permit each elector to vote at an election for all persons and offices for whom and for which the elector is lawfully entitled to vote; to vote for as many persons for an office as the elector is entitled to vote for; and to vote for or against any question upon which the elector is entitled to vote. Except as otherwise provided in this subdivision, the electronic tabulating equipment must reject all choices recorded on the elector's ballot for an office or a question if the number of choices exceeds the number that the elector is entitled to vote for on that office or question. Electronic tabulating equipment that can detect that the choices recorded on an elector's ballot for an office or a question exceeds the number that the elector is entitled to vote for on that office or question must be located at each polling place and programmed to reject a ballot containing that type of an error. If a choice on a ballot is rejected as provided in this subdivision, an elector must be given the opportunity to have that ballot considered a spoiled ballot and to vote another ballot. (emphasis added)

The Consent Decree stated: “Notwithstanding Section 795(1)(c) of the Michigan Election Law, Mich. Comp. Laws §168.795(1)(c), in tabulating a voter's ballot for an office elected using ranked choice voting, the voter's first preference will be counted by Defendants even if the voter has overvoted on subsequent preferences. Similarly, a voter's second or third preference may be counted by Defendants...even if the voter has overvoted on subsequent preferences.”

Mr. Brater's July 22, 2021 letter raises other issues expressing other additional concerns. If the voters of the City of Lansing adopt Resolutions 2021-149 and 2021-150, it may be necessary for the City to enter into a Memorandum of Understanding (“MOU”) or similar agreement with the State to assure the accuracy and integrity of elections implementing RCV.

But the Eastpointe experience shows it is feasible to do so. The provision of the Michigan Constitution, the Home Rule City Act and Michigan Election Law, cited in this letter, mandate that the Elections Bureau allow for implementation of RCV for Home Rule Cities.

Furthermore, none of the issues raised in the Eastpointe Consent Decree, or Mr. Brater's letter, invalidate the substantive right of Home Rule Cities to implement by RCV. Pursuant to MCL 168.323, these provisions cannot be strictly enforced to prevent the City of Lansing voters from adopting RCV, should they choose to do so.

Judicial Decisions Addressing RCV

There is little judicial analysis of the validity of the implementation of RCV in Michigan. The only relevant judicial opinion I found that has been issued since the adoption of the 1963 Constitution is a circuit court opinion in the case *Stephenson v. City of Ann Arbor* (Washtenaw County Circuit Court Case No. 10166-AW, 1975). A copy of this case is attached. This case addressed a challenge to a form of RCV (which it called Majority Preferential Voting) in the Ann Arbor City Charter at that time, that is substantially the same as what is being proposed in Lansing Resolution 2021-149.

The plaintiff challenged the use of RCV in Ann Arbor City Mayor's race, alleging it violated the Equal Protection clause of the 14th Amendment of the U. S. Constitution, and Article 1, Section 2 of the Michigan Constitution of 1963. The Court upheld the use of RCV, though it did not specifically address whether the use of RCV conflicted with the Michigan Election Law.

The *Stephenson* decision cited two older cases that addressed the constitutionality of RCV in the context of the 1850 and 1909 Michigan Constitution, *Maynard v. Board of District Canvassers*, 84 Mich 228; 47 NW 756 (1890) and *Wattles v. Upjohn*, 211 Mich 514, 173 NW 335 (1920). However, as the Circuit Judge noted in *Stephenson*, those cases address voting systems that were significantly different from the RCV, or "preferential," voting methods implemented by Ann Arbor; and, thus, are distinguishable from what is now being proposed for the City of Lansing. Also, those cases predate the addition of the language in Art. 7, §22 in the 1963 Constitution, and thus are of questionable validity in addressing this issue.

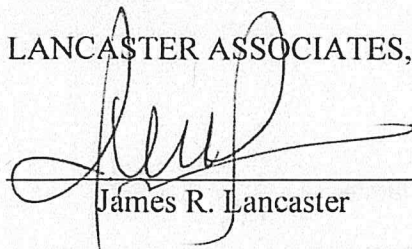
Conclusion

The implementation of RCV is clearly and explicitly authorized by the 1963 Michigan Constitution Article 2, §4(2) and Article 7, §22, and §117.3 of the HRCA. Section 321 and 323 of Michigan Election Law clearly provides that any provisions in the Michigan Election Law contrary to this conclusion cannot be strictly enforced.

State law clearly defers to local charters with respect to elections for city offices. Therefore, we request that, pursuant to Home Rule City Act Section 22, MCL 117.22, you approve submission of these ballot questions to the City of Lansing voters at the November 2021 General Election.

Respectfully,

LANCASTER ASSOCIATES, PLLC


James R. Lancaster

Cc: The Lansing City Council
Hon. Andy Schor
Hon. Barb Byrum
Mark Totten
Jonathan Brater
Ron Zimmerman
Jim DeLine

¹ A copy of Lansing City Clerk Chris Swope's letter to you dated July 12, 2021, and the two resolutions are attached as Exhibit A.

² Home Rule City Act Section 26 provides:

117.26 Elections; general provisions; applicability of MCL 168.641.

Sec. 26. (1) All elections held under this act shall be paid for by the locality where held. Except as otherwise provided by law or ordinance, the legislative body of the city shall determine the publication and notice of the election.

(2) Notwithstanding another provision of this act or a charter provision, an election under this act is subject to section 641 of the Michigan election law, 1954 PA 116, MCL 168.641[relating to the dates for elections].

³ *Bailey v Antrim County and Benson*, 13th Judicial Circuit Court (Antrim County) File No. 20-9238-CZ (Judge Kevin Elsenheimer). This lawsuit received national attention as it was filed by parties supporting former President Trump, claiming that the Presidential Election results in this county were invalid due to improprieties in the Dominion vote tabulation equipment. It was determined that the mistakes that occurred in initial vote tabulations were result of a programing error by the County Clerk. The case was recently dismissed. However, in this lawsuit Director Brater filed an affidavit which stated, in relevant part:

"Ranked Choice Voting is not authorized by the Michigan Election Law for use in federal or state-level elections."

In a footnote to this sentence, the Affidavit states:

"Due to a consent decree it entered with the Department of Justice in 2019, the City of Eastpointe in Macomb County is the only jurisdiction in Michigan that uses ranked choice voting to elect city officers. *United States v City of Eastpointe*, Case No. 4:17-cv-10079, E.D. Mich. Notably, the voting system used in Macomb County is not Dominion, but Election Systems and Software (ES&S)."



Chris Swope
Lansing City Clerk

July 13, 2021

Governor Gretchen Whitmer
P.O. Box 30013
Lansing, Michigan 48909

RE: City of Lansing Proposed Charter Amendment: Ranked Choice Voting

Dear Governor Whitmer:

On July 12, 2021, the City Council of the City of Lansing, by a vote of 7 yeas and 0 nays, has adopted the enclosed resolution to propose an amendment to the Lansing City Charter. The resolution places the question before Lansing voters on November 2, 2021.

Pursuant to the Home Rule City Act, specifically MCL 117.22, I am submitting the proposal for your approval.

Please contact me if any further information is needed.

Sincerely,

Chris Swope, MiPMC / MMC
Lansing City Clerk

Enclosure: City of Lansing Resolution 2021-149

.2 Special elections to fill vacancies shall be called at least ninety (90) days before the general election. ~~A special primary election shall be held at least twenty-five (25) days before the special general election.~~

.3 Any election to fill a vacancy in an elective City office shall be held on election day in November ~~and shall be preceded by a primary election.~~ No general election to fill a vacancy may be held unless the vacancy occurred at least six (6) months prior to the general election.

.4 Whenever a vacancy in the office of Mayor, City Clerk or City Council exists for thirty (30) days and the City Council has failed to fill the vacancy, the Election Commission shall schedule a special election to fill the vacancies at the earliest possible time. The date of the election shall not be subject to the provisions of Section 2-406.3.

BE IT FURTHER RESOLVED that in accordance with the Home Rule Cities Act (MCL 117.1, et. seq.), the question shall be captioned and stated on the ballot as follows:

CITY OF LANSING CHARTER AMENDMENT
REMOVAL OF REFERENCES TO A PRIMARY ELECTION, CONTAINED IN LANSING
CITY CHARTER ARTICLE 2, SECTIONS 2-201, 2-203, 2-204, AND 2-406

This amendment provides for the elimination of primary elections for the City offices of Mayor, City Clerk, and City Council, if the Charter is simultaneously amended to provide for the election of City officers by an instant run-off procedure and the new method of election is implemented.

Shall this amendment be adopted?

_____ YES
_____ NO

BE IT FURTHER RESOLVED that the Charter amendment would take effect on January 1, 2022.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed and authorized to, in accordance with the Home Rule Cities Act (MCL 117.1, et. seq.), transmit a copy of this resolution and roll call vote on it, along with a copy of the proposed amendment to the Governor of the State of Michigan for approval and a copy to the Attorney General of the State of Michigan for approval as to the form in which the proposal shall be presented to the electors.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to cause the above proposal to be placed on the ballot at the election to be held on November 2, 2021.

BE IT FURTHER RESOLVED that the ballot wording is hereby certified to the City Clerk for submission to the City's electors at the election to be held on November 2, 2021.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to give notice of the election and notice of registration therefore in the manner prescribed by law and to do all things and to provide all supplies necessary to submit the ballot proposal to the vote of the electors as required by law.

BE IT FURTHER RESOLVED that in accordance with law, the City Clerk shall post the proposed Charter amendment in full at each polling place.

BE IT FINALLY RESOLVED that the canvass and determination of the votes of said question shall be made in accordance with the laws of the State of Michigan and the Charter of the City of Lansing.



Chris Swope, CHMCMWIC
Lansing City Clerk

I hereby certify that the foregoing is true
and is a complete copy of the action
adopted by the Lansing City Council.



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

July 22, 2021

Lisa Hagan
Assistant City Attorney
Office of the Lansing City Attorney

Via email to Lisa.Hagen@lansingmi.gov

Dear Ms. Hagen:

Thank you for letting us know about the City of Lansing's proposed charter amendments regarding ranked choice voting (RCV). The letter includes information regarding the implementation of RCV in Michigan. While the Bureau of Elections (BOE) does not oppose RCV in concept, RCV is inconsistent with several provisions of the Michigan Election Law (MEL), 1954 PA 116, MCL 168.1 *et seq.*, and holding an election using RCV creates multiple challenges under the MEL.

Accordingly, with one court-ordered exception, recent elections in Michigan have not been conducted with RCV notwithstanding municipal charter requirements. You may be aware, for example, that the City of Ferndale's charter contains provisions for RCV, but the city has not conducted an election using this method.

The City of Eastpointe is currently *required* to conduct their city council elections using RCV, but this is being done under a settlement agreement with the U.S. Department of Justice to resolve the allegation that the city's "at-large method of electing the Eastpointe City Council dilutes the voting strength of black citizens, in violation of Section 2 of the Voting Rights Act", which is federal law. *Complaint, United States v City of Eastpointe*. The federal consent agreement, which supersedes state law, required Eastpointe to adopt multi-winner RCV for city council elections beginning with the November 5, 2019 election.

Outside of a federal requirement to set aside these provisions, several provisions of MEL inhibit the ability to conduct elections with RCV. For example, the MEL does not contemplate or authorize any reduction in the number of votes cast for an elected candidate; subtraction and redistribution of validly cast, surplus votes to continuing candidates; and redistribution of a losing candidate's total votes.

Among these is the requirement to electronically tabulate results in the precinct on Election Night. None of the three Election Management System vendors used in Michigan currently provides an end-to-end, self-contained system for tabulating results and determining winners for multi-winner RCV that has been tested, certified, and approved for use with Michigan-compliant voting systems.

The MEL requires that all election results be canvassed and reported by precinct inspectors: "Immediately on closing the polls, the board of inspectors of election in each precinct shall proceed to canvass the vote." MCL 168.801. In other words, the initial canvass cannot be performed outside of the precinct, nor by anyone other than the election inspectors. Next, the inspectors are required to prepare the statement of returns showing the number of votes cast for all candidates for each office. MCL 168.806, 809. All of this is done in the precinct on Election Night after polls close and before the election materials are delivered to the receiving board, and without human intervention (in counting and assigning votes to specific candidates). Under current law, it simply is not possible to assign the duties necessary to determine who was elected when using RCV (such as the distribution of votes among the candidates and necessary calculations) to another election official (such as the city clerk or Board of County Canvassers).

Additionally, the MEL bars "overvotes," or voting for more candidates than the total number to be elected to a particular office. MCL 168.576a provides, "In all partisan and nonpartisan primary elections, the voter shall be entitled to vote for a number of candidates for each office equal to the number of persons to be elected for that office." Similarly, MCL 168.580 provides, "In counting the ballots after the closing of the polls, only those candidates having crosses or check marks marked in the squares to the left of their names shall be considered to have received votes, and any ballot upon which more votes have been recorded for candidates for any office than may, by law, be elected to that office shall be rejected as to all names appearing on the ballot for that office only." Electronic voting systems approved for use in Michigan must be programmed to detect and reject ballots containing overvotes:

(1) An electronic voting system acquired or used under sections 794 to 799a shall meet all of the following requirements: ... (c) Permit each elector to vote at an election for all persons and offices for whom and for which the elector is lawfully entitled to vote; to vote for as many persons for an office as the elector is entitled to vote for; and to vote for or against any question upon which the elector is entitled to vote. Except as otherwise provided in this subdivision, the electronic tabulating equipment shall reject all choices recorded on the elector's ballot for an office or a question if the number of choices exceeds the number that the elector is entitled to vote for on that office or question. Electronic tabulating equipment that can detect that the choices recorded on an elector's ballot for an office or a question exceeds the number that the elector is entitled to vote for on that office or question shall be located at each polling place and programmed to reject a ballot containing that type of an error. If a choice on a ballot is rejected as provided in this subdivision, an elector shall be given the opportunity to have that ballot considered a spoiled ballot and to vote another ballot. MCL 168.795.

The Michigan Election Law is quite restrictive in terms of the written instructions that are provided to voters. Under MCL 168.736f, "The ballot marking instructions as provided in sections 736b, 736c, 736d, 736e, and 764, are the only written ballot marking instructions that shall be provided to an elector." These sections deal with primary, general, nonpartisan and special elections, and absent voter ballots, respectively, and none contemplate RCV.

The following chart contains a summary of the provisions of the MEL which conflict with the use of RCV in Michigan:

Requirement	Citation
Candidates' names must be rotated on the ballot	MCL 168.569a
Ballot must allow voters to vote for write-in candidates	MCL 168.795
VAT must allow an individual with disabilities to vote in a manner that provides the same opportunity for access and participation as provided for other voters	MCL 168.795
Vote accumulation software must meet SOS specifications; SOS must so certify	MCL 168.795
Tabulator must be programmed to reject ballots containing errors	MCL 168.795
Firmware and software must be tested and approved by a certified independent testing authority (ITA) accredited by the National Association of State Election Directors	MCL 168.795a
Firmware and software must be approved by Board of State Canvassers	MCL 168.795a
Source code must be escrowed	MCL 168.797c
Statement of votes must indicate the total number of votes for each candidate	MCL 168.806
Results must be available in the precinct	MCL 168.807

Thus, while not expressly prohibiting RCV, the MEL does not contemplate the use of the practice and has several provisions in conflict with it. The only state statute that addresses RCV at all, the Home Rule City Act, 1909 PA 279, MCL 117.3(a), simply provides, "[City] Elections may be by a partisan, nonpartisan, or preferential ballot, or by any other legal method of voting." There are no state laws, administrative rules, or policies to guide RCV implementation.

Accordingly, BOE construed and applied existing election laws to maintain the best semblance of compliance with current state legal requirements in order to assist Eastpointe to comply with their federal court-ordered mandate. In order to avoid the manual counting of RCV ballots, Eastpointe used third-party tabulation software developed by the Ranked Choice Voting Resource Center (Resource Center). The Resource Center's product is stand-alone software, not an integral component of a currently certified and approved voting system. The Resource Center submitted its tabulation software to a voting system test laboratory (VSTL) for testing and certification, which was completed in early September 2019.

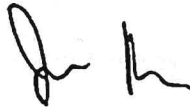
VSTL certification of any tabulation software is necessary because it will be used to count votes, accumulate totals from multiple precincts and determine election winners. After VSTL certification, the Resource Center submitted its software for state certification and testing to ensure compatibility with the ES&S system, used in Eastpointe, and obtained conditional approval of the Board of State Canvassers (BSC). The BSC conditionally approved the use of the Resource Center's product for use only in Eastpointe and in conjunction with the ES&S voting system. Any other use, or any alternative tool to calculate the results of an RCV election, would need to go through the same rigorous testing prior to implementation. State certification testing includes a successful demonstration of the following functionalities: import of election files; creation of election and ballot files; tabulation of test decks on precinct tabulators, accessible voting devices and AVCB tabulators; and secure transmission of results via modem, if

Letter to Lisa Hagen
July 22, 2021
Page 4

applicable, and directly via memory devices to the vote accumulation software on a central computer.

BOE has learned a significant amount about RCV from the Eastpointe election, and would do its best to use this knowledge in assisting Lansing, Dominion, Ingham County, or any other jurisdictions that were conducting an election under RCV if it were legally permissible. BOE will also work collaboratively with national experts and legislators who support the policy, as it continues to be discussed in Michigan. However, it currently is not possible to conduct an election using RCV and comply with the MEL. If Lansing does place charter amendments to implement RCV for city elections on the ballot, and those amendments pass, Lansing will not be able to conduct city elections using RCV until the MEL is amended.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Brater', with a stylized flourish at the end.

Jonathan Brater, Director of Elections

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF JACKSON

JAMES E. STEPHENSON,
Plaintiff,

FILE NO. 75—10166 AW

ANN ARBOR BOARD OF CITY CANVAS-
SERS and JEROME S. WEISS,
Defendant,

V

ALBERT H. WHEELER, JAMES M. DAHL,
DOROTHY L. CAHN, MARJORIE C. BRAZER,
LeROY CAPPAERT, DEBORA H. FREEMAN,
MARY HELEN S. GILBERT, CHESTER FELDMAN
and HENRIETTA FELDMAN, individually
and as a Class,
Intervening Defendants.

OPINION OF THE COURT

The City of Ann Arbor, Michigan, on April 7, 1975 held an election for the offices of Mayor and City Councilman. The election of council persons was determined by the plurality system of voting, i.e., the candidate with the most votes was declared the winner.

The Mayor's race was conducted pursuant to a duly adopted Charter Amendment, Section 13.12(b), Ann Arbor City Charter, where by a "Preferential Voting System" was employed. This particular type of preferential voting has been termed the "Ware System" or "Majority Preferential Vote" also referred to as the "M.P.V. System." [1]

The Ann Arbor voters in the November 5, 1974 general election added Section 13.12(b) to their City Charter. The amendment was adopted by a majority of the voters.

Under the "Ware System" of preferential voting, where there are two or more candidates for the office in question, the voter has the right to indicate on his paper ballot, a first and second choice or as many choices in a descending numerical order as there are candidates. If five candidates were listed on the ballot, then each voter would have the right to indicate by number, his or her first, second, third, fourth and fifth choice. The ballot explanation informed the voter to mark his first choice with the number "1", and his second choice with a number "2" and third choice with a number "3" (Ballot, Exhibit No Two).

Thus, the voter indicated by number who his or her next selection would be if his or her first choice was not in the race, or was eliminated from the race under the "Ware" or "M.P.V. System."

Under the "Ware" or "M.P.V. System" as is set forth in the Ann Arbor Charter Amendment, the candidate with the lowest number of votes is dropped or eliminated from consideration (where there are three or more candidates) and the second choice preferences from the ballots cast for the eliminated candidate, are then counted and distributed to the remaining candidates according to the second indicated preference on each ballot.

In the April 7, 1975 Ann Arbor Mayorial election, there were three candidates listed on the paper ballots. They were Carol Ernst, James E. Stephenson and Albert Wheeler.

The results of the election were as follows:

First Preference Votes for Stephenson 14,453

First Preference Votes for Wheeler 11,815

First Preference Votes for Ernst 3,181

First Preference votes for Miscellaneous

Write-in Candidates 52

Total Valid First Preference Votes 29,501

No Candidate, whether listed on the paper ballot or by write-in vote received a majority of the valid votes cast as required by the Ann Arbor Charter Amendment.

Following the procedures outlined in the Charter Amendment, write-in candidates, and the ballot candidate with the least number of votes (Ernst) were dropped or eliminated, and the second choice votes wherein they were "First Preference" were counted and distributed among the remaining candidates. Note that because some voters elected not to exercise the option of choosing a second preference, the total number of Valid countable votes was 29,262.

That count of the "Second Preference" Votes from the Ernst ballots and distribution of them among the two candidates resulted in the following vote totals:

Wheeler	14,684
Stephenson	14,563

In view of the fact that the Charter Amendment required that a majority of the total countable vote was necessary in order for a candidate to be elected, and the total countable vote being 29,262, a majority of the vote was 14,631 plus one, or 14,632.

Candidate Wheeler having received 14,684 votes, after the second preference choices were counted from the eliminated candidate's ballots, thus received a majority of the valid countable votes cast and was declared the winner.

Plaintiff Stephenson brought suit, challenging the Constitutionality of the Preferential Voting system established by the Charter Amendment. As part of that action, Plaintiff Stephenson seeks in a Motion for Summary Judgment, a declaration by this Court, that the Charter Amendment is unconstitutional because it violates the equal protection clauses of the 14th Amendment to the Constitution of the United States, and Article 1, Section II, of the Michigan Constitution of 1963.

For purposes of the summary judgment motion the parties hereto agreed that no genuine issue of fact exists, only issues of law. The Court agrees that no genuine issue of fact is before it for consideration and the issue is one of law as raised by the pleadings. Pending decision on this motion, the Court stayed a recount filed by the Plaintiff Stephenson.

The City of Ann Arbor has the duty to insure equal protection of the franchise right to each voter. The equal protection clause of the Fourteenth Amendment to the U.S. Constitution so mandates now that political subdivisions are brought within its coverage by decision of the United States Supreme Court. *Avery v Midland County*, 390 US 474, 88 S Ct 1114; 20 L Ed 45 (1968).

The equality of voting effectiveness is safeguarded by this Amendment. *Reynolds v Simms*, 374 US 533; 84 S Ct 1362; 12 L Ed 2d 506 (1964); *Wesberry v Sanders*, 376 US 1; 84 S Ct 526; 11 L Ed 481 (1964).

The Michigan Constitution of 1963 additionally guarantees equal protection of the law. Article I, Section 2. And that guarantee likewise extends to the voting franchise.

In view of these provisions and the U.S. Supreme Court interpretation of the guarantees therein provided, does the City of Ann Arbor's Preferential Voting System for the office of Mayor afford equal protection to each voter?

If so, then the Charter Amendment providing for the Preferential Voting System is constitutional. If not, it is unconstitutional. The Michigan Constitution provides that a City has the power and authority to frame, adopt and amend its charter. Article VII, Section 22.

Under the Home Rule Act, MCLA 117.3; MSA 5.2073(a) voting in a municipal election may be partisan, nonpartisan or preferential ballot, or by any other legal method of voting.

The Michigan Statutes do not provide a definition of preferential voting, and only in this oblique manner is mention made of preferential voting. Nevertheless, because preferential voting is authorized in the Home Rule, a form of preferential voting is permissible under that enabling Act.

The voters of the City of Ann Arbor by majority vote November 5, 1974, decided that a form of preferential voting in the Mayorial Contest should be a part of that City's Charter. There is no question that this Charter amendment was adopted in a proper manner and is a part of the Charter and must, therefore, be followed unless the method of preferential voting employed creates inequities and inequalities among the voters and runs afoul of the equal protection guarantees.

The crux of Plaintiff Stephenson's claim of unconstitutionality is that preferential voting under this Charter amendment creates a classification that restricts the franchise of certain voters and thus treats them unequally.

This claimed classification results from certain voters having their second choice ballots counted while the second choice of other voters whose candidate remains in the race, are not so counted. This creates separate classes of voters and affords the vote of some, more weight than others, Plaintiff asserts.

Plaintiff claims there is no "compelling state reason or interest" for creating such classifications, that would render this preferential voting system constitutional.

In *Hill v Stone*, 95 S Ct 1637 (1975), 43 LW 4576, and *Kramer v Union Hill School District*, 395 OS 621, 89 S Ct 1886 (1969), the U.S. Supreme Court stated that a classification may not restrict the franchise on grounds other than residence, age and citizenship unless a compelling state interest was shown.

An examination of these cases reveals classifications of voting rights based on ownership versus nonownership of real property and apportionment of voting districts. Nothing in the Charter Amendment itself speaks to classifications of voters as in the *aforecited* cases. The Charter Amendment does not discriminate patently or latently against some segment of voters.

All voters for the office of Mayor possessed the same rights that is, the right to, or right not to, select and list their preferences in numerical order.

All voters possessed the right at the same time (election day) to decide who their second choice etc., candidate would be if their first choice were eliminated from the race.

No voter was restricted in his right. Each voted with this same understanding that his second and third choice preferences could be counted if his or her first choice was the candidate with the least number of votes.

No classification was established by the Charter Amendment or City of Ann Arbor to discriminate against any voter or group of voters--all voters possessed the same rights.

Whatever classification that could be said to have existed, created itself, when a voter had his or her first choice candidate eliminated from the race for having the lowest number of votes after it was ascertained that no candidate possessed a majority of the total vote.

In that context, the second preference vote of a voter became viable as his first preference was eliminated from consideration.

That voter in substance still has only one vote that is counted, his or her first choice having been eliminated. His second preference vote is counted the same as the votes for the first two candidates. Such a voter does not have his vote counted twice--it counts only once and if that first preference no longer remains and is eliminated from consideration, his or her second preference is the "counted" vote. Voters for the top two candidates still have their vote counted for their first choice.

There is no deliberate scheme or practice that classifies voters under this system of voting. Each voter has the same right at the time he casts his or her ballot. Each voter has his or her ballot counted once in any count that determines whether one candidate has a majority of the votes. Each voter has the same opportunity as the next voter in deciding whether or not to list numerical preferences for his or her candidate and has the same equality of opportunity as any other voter if his or her candidate is eliminated as the lowest vote-getter, and his or her second choice preference becomes the viable vote.

This Court further finds nothing unconstitutional in the Charter Amendment that requires the winning candidate to have a majority of the votes cast in an election for the office of Mayor. Much has been said and written on the subject of a winning candidate for office, assuming that office with the backing (by votes) of less than a majority of those voting. Who can say that the voters of Ann Arbor do not know what they want, by their mandate that the Mayor of the City be elected by a majority of the voters. Far better to have the People's will expressed more adequately in, this fashion, than to wonder what would have been the results of a run-off election not provided for.

The fact that the Charter Amendment in question consolidates two elections into one, does not of itself create a classification nor discriminate against any group of voters. It possesses a monetary savings to the municipality in question and is not a factor to be overlooked.

Basic to all, is the right of self determination by the Ann Arbor voters. Their Charter Amendment was voted into effect by a majority of those voting November 5, 1974. The fact that "Ware" or preferential voting system is "different" from the system of voting we have come to know in this State, does not affect its validity.

This Court finds no classification of voters or their rights, created under this system of preferential voting, as the U.S. Supreme Court found in *Hill v Kramer*, *supra*.

Under the Michigan Constitution, Article VII, Section 22, the City of Ann Arbor has "the power and authority to frame, adopt and amend its charter". The provisions of Michigan's Constitution as concerns municipalities are to be liberally construed, in their favor, Section 34.

Thus, it is clear that the City of Ann Arbor could and did amend its charter to provide for a system of voting permitted by state statute, MCLA 117.3; MSA 5.2073(a). So long as that system of voting meets constitutional requirements, however "different" it may seem to some, it is a permissible form of voting.

Examined from every angle and tested against the standards of *Hill v Stone*, supra, this Court finds no classification or suspect classification of voters or their rights that would violate the equal protection clauses of either the United States or Michigan Constitutions. Nor can there be found any infringement of a fundamental right of any voter of the City of Ann Arbor in the exercise or operation of this voting system. All voters possess the same right to vote, to list numerical preferences and are subject to the same possibility of having their first preference eliminated and second or third etc., preference then counted in order to achieve the election of their Mayor by a majority of the total countable votes cast in the election.

The Court also finds no merit to Plaintiff's claim that certain voters have an opportunity to change their minds and their votes while others do not have that right under this "M.P.V." System. Each voter has an equal opportunity and right at the time he or she casts his or her ballot election day. The fact that each person voting lists different orders of preference does not mean that some voters have greater rights than others. Each voter is on an equal footing with the next voter as to whether his first preference, second preference etc. will remain in the "elimination process". It is the equal right to list preferences and the equal opportunity to be eliminated or to stay in the running that accords each voter the same rights, not the possibilities of whose first or second preference may or may not stay in the counting. Each voter is given the same rights at the same time, that is, the time of casting his or her ballot. It is then that a voter may "change his or her mind" by consciously deciding who his or her first, second or third preference is for the office of Mayor. Thus, at the time of vote casting, each voter who chooses to make more than one preferential selection, in effect exercises his or her mental process of changing his or her mind, as the voter decides that a certain candidate meets his tests for Mayor in the event his or her first choice does not remain in the the running. This Court finds no constitutional infringement or prohibition against changing one's mind in this fashion, inasmuch as each voter is given the same right to do so at the same time and each voter's ballot is given the equal right to be counted in the same manner as any other voter's ballot. Each voter has the same rights as the next one. Nothing in the "M.P.V." system weighs one voter's rights over the other. The M.P.V. system, thus has the same effect as a run-off election, except that it consolidates it into one election.

Plaintiff has failed to demonstrate any true classification restricting the franchise of certain voters. Even if such a classification were found, this Court finds that a compelling state interest exists that would permit a classification in vote counting under such a M.P.V. system, as the City of Ann Arbor provides in its charter. The State does possess a great interest in speedy determination of elections, reduced election costs, involvement of a greater base of voters, affording greater voice in government by minorities and having the elected officer-holder be one who is the choice of a majority of the voters.

The argument by Plaintiff that the M.P.V. system employed here, violates the "one-man, one-vote" requirement of *Baker v Carr*, 369 US 186; *B2 S Ct 691*; *Reynolds v Simms*, supra, and *Wesberry v*

Sanders, *supra*, likewise fails when the tests of those cases are applied to the manner and method this M.P.V. system employed to determine the winner. Again, each voter is given the same equal opportunity at the time he or she casts his ballot. His or her vote is not "weighed differently" from any other votes in the election. Each voter will have one of his or her preferences counted if he or she elects to make more than one preference. The fact that a few voters may decide not to make more than one preference does not render the system unconstitutional. It is a choice or right possessed that the voter may or may not exercise.

To count every second preferential vote as Plaintiff urges, would make the system self-defeating and in essence would encourage voters not to make a second or third choice, since it would work to defeat that voter's first choice. In "M.P.V.", the second choice of a voter is not counted unless his or her first choice is eliminated from the election first.

An examination of the one-man, one-vote cases discloses that the Court was concerned with certain voter's votes being weighted more than other voters. A voter in one district would have one vote for a particular office while a voter in another district would have two votes for a similar office in the same Representative Body, due to the second voting area only having half the population of the first area. This situation violated equal protection rights guaranteed to all voters under the United States Constitution. What violated equal protection there, was the inequitable effect of giving some voters two votes and other voters only one vote for their representative to the same representative body.

Under the "M.P.V. System", however, no one person or voter has more than one effective vote for one office. No voter's vote can be counted more than once for the same candidate. In the final analysis, no voter is given greater weight in his or her vote over the vote of another voter, although to understand this does require a conceptual understanding of how the effect of a "M.P.V. System" is like that of a run-off election. The form of majority preferential voting employed in the City of Ann Arbor's election of its Mayor does not violate the one-man, one-vote mandate nor does it deprive anyone of equal protection rights under the Michigan or United States Constitutions.

Plaintiff cited *Wattles Ex Rel Johnson v Upjohn*, 211 Mich 514, 179 NW 335 as authority for its claim that Preferential Voting is unconstitutional. While *Wattles* was decided under the 1908 Michigan Constitution, the crux of the matter is that the facts in the present case are clearly distinguishable from *Wattles*. In *Wattles*, the Court was dealing with a multiple office situation involving proportional representation. The Preferential System employed was the "Hare" System, which is clearly different from the "Ware" or "M.P.V." System used in Ann Arbor.

This difference is well set forth in *Representation of Minorities In An At Large Election in City and Village Governments under Michigan Law*, by Leon H. Weaver, M.S.U., at pages 43-47.

Likewise, in *Maynard v Board of Canvassers*, 84 Mich 228; 47 NW 756, the system of voting struck down by the Court was not the "Ware" or "M.P.V. System" but a cumulative voting system that clearly violated equal protection of voting rights. See also 29 C.J.S. Elections, page 53.

The Michigan Courts, heretofore, have not ruled on the constitutionality of the "Ware" or "Majority Preferential Voting" system as was employed by the City of Ann Arbor in its Mayorial race.

For the reasons set forth herein, and because of the obligation of this Court to scrutinize carefully any attack on the constitutionality of a State statute and self-determination rights this Court finds and determines the "Ware" or "Majority Preferential Voting" System as adopted and employed in the Ann Arbor Mayorial race to be constitutional and not violative of the equal protection clauses of the United States or Michigan Constitutions.

Accordingly then, the Summary Judgment Motion of the Defendants herein is granted and the Summary Judgment Motion of the Plaintiff is denied.

Counsel for the Defendant, Albert H. Wheeler et al shall within 10 days prepare the Judgment pursuant to this Opinion and have the same approved as to form by counsel for the Plaintiff and present the same to the Court for signature. In the event of disagreement or failure to agree upon the form of the Judgment settlement of it shall be noticed for hearing within the same period of time.

This being a question of public import and precedent, no costs or attorney fees are awarded Either party.

James G. Fleming

Circuit Judge

[1] "The Majority Preferential Vote in Michigan Cities", an unpublished article by Dr. Leon H. Weaver, Michigan State University, East Lansing, Michigan.

