

Local Development Finance Authority

Regular Meeting Agenda

Monday, April 13, 2015
4:00 p.m., Council Chambers
South Haven City Hall



City of South Haven

1. Call to Order

2. Roll Call

Chairman Art Bolt, Tyler Dotson, Thomas Erdmann, Eugen Gawreliuk, Mike Henry, Robert Herrera, Stephanie Timmer, Andy Klavins, Doug Schaffer, Christine Valentine.

3. Approval of Agenda

4. Approval of Minutes – January 12, 2015 Regular Meeting

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

6. Financial Report

7. Economic Development Report

8. 220 Aylworth Offer

9. Factory Condominium Memorandum of Understanding

10. Budget

11. General Comments

12. Adjourn

RESPECTFULLY SUBMITTED,
Paul VandenBosch
Secretary, Local Development Finance Authority

SOUTH HAVEN CITY HALL IS BARRIER FREE AND THE CITY OF SOUTH HAVEN WILL PROVIDE THE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES FOR PERSONS WITH DISABILITIES, SUCH AS SIGNERS FOR THE HEARING IMPAIRED AND AUDIO TAPES OF PRINTED MATERIALS BEING CONSIDERED AT THE MEETING TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON SEVEN (7) DAYS NOTICE TO THE SOUTH HAVEN CITY HALL.

Local Development Finance Authority

Regular Meeting Minutes

Monday, January 12, 2015
4:00 p.m., Council Chambers
South Haven City Hall



City of South Haven

1. Call to Order by Valentine at 4:00 p.m.

2. Roll Call

Present: Erdmann, Gawreliuk, Henry, Herrera, Kerber, Klavins, Schaffer, Valentine
Absent: Bolt

3. Approval of Agenda

Motion by Henry, second by Schaffer to approve the January 12, 2015 Regular Meeting Agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – December 8, 2014 Regular Meeting

Motion by Klavins, second by Schaffer to approve the December 8, 2014 Regular Meeting Minutes as written.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

6. Financial Report

VandenBosch presented the Financial Report.

7. Economic Development Report

Jack McCloughan, Economic Development Director reported on current economic development activities.

8. 2015 Meeting Schedule

VandenBosch noted that setting a meeting schedule is a requirement of the Open Meetings Act for any city body. The dates are in the agenda packet; the boards will meet the second Monday of each month. VandenBosch checked for conflicts with holidays and found none.

Motion by Henry, second by Herrera to approve the meeting dates as presented:

January 12
February 9
March 9
April 13
May 11
June 8
July 13
August 10
September 14
October 12
November 9
December 14

All in favor. Motion carried.

9. 220 Aylworth Purchase Offer

VandenBosch presented the information about the offer for the property from the Fox Group, as discussed by the subcommittee members which is included as a hand out.

Following discussion regarding the rebate for the electric transformer, VandenBosch pointed out that current utility policy is what is noted in the response regarding the rebate for the electric transformer, meter and line extension fees.

Henry asked if the required work was in the \$600,000 range to which VandenBosch responded that yes, and pointed out that two of those estimates were very rough estimates. Valentine said asking price was \$750,000, which VandenBosch confirmed.

Henry commented that based on the work that the potential buyers asked the city to complete, if the city were to sell the property for \$675,000 and do all these upgrades and repairs, the city would not come out with much. VandenBosch said job creation would be around fifty (50) jobs and noted that the Michigan Economic Development Corporation (MEDC) will try to get several thousand in assistance for the jobs creation. The potential buyers have started to work with the MEDC, according to VandenBosch, but have not qualified yet. Klavins asked what the potential buyer could do with money from the MEDC to which VandenBosch responded that the money could be used for infrastructure and equipment; the MEDC would make that determination.

Henry asked if the MEDC tracks jobs promised/job created to which VandenBosch responded yes.

Erdmann asked if asbestos abatement would be something the Brownfield Authority would get involved in. VandenBosch informed that there is a Brownfield Plan which was put in place when the value of the property was pretty high, but the city has never collected very much money. "Potentially, we could close that Brownfield Plan and do a new one," VandenBosch stated.

Herrera asked if the price gets low enough would there not be many people interested. Klavins pointed out that if the city were to actually relist it at a lower price to get the plethora in there, we could receive a full no-contingency cash offer. With this offer, the city is negotiating in good faith and the buyer either takes it or not. Klavins noted that there are a lot of improvements necessary; the buyers are looking for cash and the city is coming off our asking price by ten percent. "That's very standard in the industry," Klavins pointed out.

Kerber agreed that was the sub-committee's thought process. The committee did not want to benchmark the negotiations, but coming back with ten (10) percent of asking is standard for the industry.

Motion by Henry to recommend authorizing Paul VandenBosch to negotiate the sale of this property at the price of \$675,000, as is. Second by Erdmann.

All in favor. Motion carried.

Henry asked if we have learned anything more about the potential purchaser. VandenBosch said he had not yet provided the MEDC what they asked for but that was over the Christmas break. MEDC contacted him again and he said he would get on that. VandenBosch was hoping the MEDC would do the screening, as it were, of the financial capability because they ask the potential buyer questions that are related to the business financing, job creation, etc.

Kerber requested clarification that the prior broker has released us from the agreement. VandenBosch responded that he did get an email; it was an amicable parting and any broker fee goes to Dane Davis.

Kerber said the last valuation we have on this property was pre-recession; we may want to have a current appraisal done. VandenBosch said he would like to use a different appraiser and wondered if anyone has suggestions to which Kerber responded that she will get some names to him.

Henry asked what kind of fee appraisers charge to which Kerber responded around \$2,500.

Klavins said if we get an appraisal now appraisals do not have a very long shelf life. We have a really good price on it; if the appraisal came back at \$900,000 and we have it at \$750,000, is it worth it to have it appraised again? If we get a new offer we would not want to use another appraisal. Klavins pointed out that one appraiser noted that there is not much in South Haven for comparables so an appraiser will have to comp it to Holland and St. Joseph.

Erdmann says if this deal falls through we might want to think about an appraisal.

Henry said, "Let's play this out and see what happens, if it doesn't work out we can go back and take another look at it." Klavins said you might be able to talk to Dane and get a read on the buyer. Henry noted that all have experienced the fundamentals of how important it is to understand the credibility of the potential buyer.

10. General Comments

There were none.

11. Adjourn

Motion by Henry, second by Erdmann to adjourn at 4:26 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

City of South Haven
Local Development Finance Authority
For the period ended March 31, 2015

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	165,327	27,177	57,045
Interest Income	1,360	207	1,970
Land Sales			-
Other Revenue State PPT reimb	34,943	2,435	369
Other Transfers In	-	-	-
Total Revenue	201,630	29,819	59,384
Expenditures			
Economic Liaison	10,462	11,411	13,002
Administrative Costs	-	-	-
Professional Fees	2,400	-	-
Contractual Services	1,845	-	-
Capital Projects	-	-	-
General Fund Administration	-	15,000	3,750
Transfer to Building Authority Debt Service	-	9,709	-
MEDC Loan Payments			20,406
Transfer to St. Joe Project Debt Service	90,000	-	-
Other Transfers Out	-	-	-
Total Expenditures	104,707	36,121	37,158
Year-to-Date Fund Gain/(Loss)	96,923	(6,302)	22,226
Cash and Investments			
Cash	301,898	55,781	70,278
Certificates of Deposit	261,053	-	
Other Financial Investments	231,968	131,961	506,591
Total	794,919	187,741	576,869

Land Assets - 345 Kalamazoo St	5.19 acres	\$	46,710	Mkt Value per assessor
Land Assets - 1391 Kalamazoo St	1.54 acres	\$	36,729	Mkt Value per assessor
220 Aylworth Ave	13.22 acres	\$	118,980	Mkt Value per assessor
1280 Kalamazoo St.	3.48 acres	\$	31,320	Mkt Value per assessor

LDFA Debt Obligations

St. Joe Projects Bonds - Final Maturity - May 2027	\$120,000/Year		
DPW Relocation Bonds - Final Maturity - Nov. 2021		\$13,990 Average/Year	
MEDC Loan -0% Interest - Final Payment - April 2016			\$27,208/Year



BUY AND SELL AGREEMENT FOR OFFICE, COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY

Office of NAI Wisinski of West Michigan, BROKER,

Kalamazoo (city), Michigan Phone: 269-459-0434 Fax: 616.776.0101

Email: daned@naiwwm.com Offer Date: 3.26.15 5 PM (time)

- 1. Agency Disclosure. The undersigned Buyer and Seller each acknowledge the Broker named above is acting as (choose one):
2. Buyer's Offer. The undersigned Buyer hereby offers and agrees to purchase property located in the City of South Haven, Van Buren County, Michigan, commonly known as Portion of 220 Aylworth Ave. & 1280 Kalamazoo St. (See Exhibit E for Recommended Split) Approx. 250' wide.

Permanent Parcel Number A Portion 80-53-220-001-10 & 80-53-220-002-10 and legally described as follows: To be provided by Seller and agreed on by Buyer prior to Closing as part of the land division.

(the "Land"), together with all buildings, fixtures and improvements situated on the Land (the "Improvements"), and all equipment and other personal property listed on Exhibit D (the "Personal Property"), all of which is collectively referred to herein as the "Premises".

- 3. Purchase Price. The purchase price for the Premises is: One Hundred Thousand Dollars

Dollars (\$100,000.00). Any allocation of the purchase price between Land, Improvements, and Personal Property shall be set forth on an attached Exhibit.

- 4. Terms of Payment. The purchase price shall be paid at the closing as indicated by "X" below (other unmarked terms of purchase do not apply):
[X] Cash. Buyer shall pay the full purchase price to Seller upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified in this agreement.
[] New Mortgage. The Buyer shall pay the full purchase price to Seller upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified in this Agreement, contingent upon Buyer's ability to obtain a year mortgage loan in the amount of \$ bearing interest at a rate no greater than % per annum.
[] Land Contract. Buyer shall pay the full purchase price to Seller pursuant to the terms and conditions stated in the Commercial Alliance of REALTORS Land Contract form upon performance by Seller of the closing obligations specified in this Agreement.

Additional Provisions:

None

- 5. Survey (select one of the following):

- [X] A new survey:
[X] ALTA showing all easements of record, improvements, and encroachments, if any, and completed to the most current ALTA/ACMS minimum requirements; or boundary survey with iron corner stakes and with all easements of record, improvements, and encroachments (if any);

- [] A recertified survey;
[] An existing survey (if available)

shall be provided by [] Buyer [X] Seller as soon as possible after the later to occur of (i) the title insurance commitment reference in this Agreement is delivered to the party responsible for the survey; and (ii) Buyer's right to terminate under this Agreement is waived or deemed to have been waived. If Seller fails to provide the new or recertified survey as required by this paragraph, the Buyer may elect to order the required survey at Seller's cost. If the survey reveals a matter that materially and adversely affects the value of the Premises or Buyer's intended use of the Premises, Buyer shall have the right to terminate this Agreement by giving Seller written notice within SEVEN (7) calendar days after copies of both the survey and title commitment referenced in this Agreement are delivered to Buyer, otherwise Buyer's right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived. Other:

N/A

25. Environmental.

a. Notice to sellers, buyers, landlords and tenants (environmental risks).

Whenever real property is acquired or occupied, the buyer incurs some degree of risk with regard to potential environmental contamination and/or protected natural resources on the property. Various federal, state, and local laws may impose liability upon the buyer for the remediation of the contamination even though the buyer did not cause it, or may restrict the buyer's ability to fully develop or utilize the property. Such risk can be minimized through the performance of environmental due diligence.

No real estate brokers/salespersons in this transaction possess the expertise necessary to assess the nature or extent of these environmental risks or to determine the presence of environmental contamination or protected natural resources. The real estate brokers/salespersons involved in this transaction do not make independent investigations as to environmental contamination or protected natural resources with respect to any property, and they make no representations regarding the presence or absence, now or in the past, of environmental contamination. It is therefore prudent for each party to this transaction to seek legal and technical counsel from professionals experienced in environmental matters to provide an evaluation of the environmental risks associated with the transaction.

b. Environmental reports and assessments.

(1) Seller shall provide copies of any existing Environmental Assessments or reports involving the Premises within five (5) calendar days after the Effective Date.

(2) Buyer shall be given access to the Premises during normal business hours to perform an ASTM 1527 Phase 1 Site Assessment. Buyer shall pay 100 % and Seller shall pay 0 % of the cost of the Environmental Assessment. The Environmental Assessment shall be ordered by the Buyer Seller. The Environmental Assessment shall be completed within 90³⁰ calendar days after the Effective Date and shall be certified to Buyer. Seller shall promptly cooperate and request its tenants to cooperate with Buyer in completing the Environmental Assessment.

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(3) If an Environmental Assessment of the Premises reveals recognized environmental conditions as defined by ASTM, then Buyer shall have the right to:

- a. terminate this Agreement within ten (10) calendar days after receipt of the Environmental Assessment report; or
- b. provide Seller with the Environmental Addendum (Seller's refusal to execute the Environmental Addendum within 30 days shall, at Buyers option, terminate this Agreement); or
- c. proceed with the purchase.

(4) For residential housing units, Seller will attach either the Seller's acknowledgement Form Concerning Lead-Based Paint or a Lead-Based Paint Seller's Disclosure form, depending on whether the improvements were built prior to 1978 or 1978 or later.

c. Nondisclosure.

If Buyer exercises its right to terminate this Agreement pursuant to subparagraph b. above, Buyer shall not disclose his/her Environmental Assessment report(s) to any third party. At Seller's request, Buyer shall provide copies of any Environmental Assessment report(s) to Seller.

d. Other: Seller has already submitted any available Environmental Reports to Buyer as of the Effective Date.

26. Other Provisions:

See Attached Exhibit F for Other Provisions.

27. Notices. Any notice required or permitted to be given hereunder shall be deemed to have been properly given, if in writing and delivered to the parties at the addresses shown below, and shall be deemed received (a) upon delivery, if delivered in person or by facsimile transmission, with receipt thereof confirmed by printed facsimile acknowledgement, (b) one (1) business day after having been deposited for next day overnight delivery with a nationally recognized overnight courier service, (c) two (2) business days after having been deposited in any U.S. post office or mail depository and sent by certified mail, postage paid, return receipt requested, or (d) upon sending, if sent by email (with a confirmation copy sent the same day by overnight delivery).

28. Additional Acts. Buyer and Seller agree to execute and deliver such additional documents and to perform such additional acts after the closing as may become necessary to effectuate the transfers contemplated by this Agreement.

29. Authority of the Parties. Each of the undersigned individuals who have signed this Agreement on behalf of Seller and Buyer entities represent and warrant that he/she is authorized to sign this Agreement on behalf of such party and to bind such party to the requirements of this Agreement.

30. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the sale of the Premises. All contemporaneous or prior negotiations have been merged into this Agreement. This Agreement may be modified or amended only by written instrument signed by the parties to this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

For purposes of this Agreement, the phrase, "Effective Date of this Agreement" ("Effective Date") shall be the date upon which this Agreement is fully executed (as described below):

6. Title Insurance. At Seller's expense, Seller shall provide Buyer with a standard ALTA owner's policy of title insurance in the amount of the purchase price, effective as of the date of closing. A commitment to issue such policy insuring marketable title (as defined in this Agreement) vested in Buyer, including a tax status report, shall be ordered within seven (7) calendar days after the Effective Date, and shall be delivered, with copies of all title exception documents, as soon as feasible thereafter. (Note that some title commitments do not report on the status of oil, gas, or mineral rights.) If any matter disclosed by the title commitment adversely and materially affects the value of the Premises or Buyer's intended use of the Premises, Buyer shall have the right to terminate this Agreement by giving Seller written notice within seven (7) calendar days after copies of both the title commitment and survey referenced in this Agreement above are delivered to Buyer, otherwise Buyer's right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived. A matter disclosed in the title commitment that is in the form of an encumbrance that is liquidated in amount and that can be readily discharged (such as a mortgage) shall not be grounds for termination of this Agreement by Buyer under this paragraph so long as Seller discharges such encumbrance at the closing. Other:

Seller will order the Title Commitment from Chicago Title's Kalamazoo Office.

7. Inspections. After the Effective Date, Buyer and Buyer's agents shall have the right to enter upon the Premises during reasonable business hours for the purposes of conducting such inspections of the Premises that Buyer deems appropriate; provided, however, that such inspections shall not interfere with the rights of the tenants in possession. Buyer shall indemnify, defend and hold Seller and Broker harmless from and against any damage to persons or property caused by Buyer or Buyer's agents in conducting such inspections. Buyer shall have the right to terminate this Agreement if the inspections are not acceptable to Buyer by giving Seller written notice within 90 30 calendar days after the Effective Date, otherwise the right to terminate shall be deemed to have been waived.

Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson regarding any aspect of the Premises, or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller. Accordingly, Buyer agrees to accept the Premises "as is" and "with all faults", except as otherwise expressly provided in the documents specified in the preceding sentence. Other:

None

8. Closing Adjustments. The following adjustments shall be made between the parties as of the close of business on the closing date, with Buyer receiving a credit or assuming responsibility, as the case may be, for amounts attributable to time periods following the closing date:
a. Prepaid rent;
b. Interest on any existing indebtedness assumed by Buyer;
c. Charges for any transferable service contracts assigned to Buyer described in Exhibit C;
d. Utility deposits;
e. Security deposits;
f. Additional Rent (as defined below).

If any tenant is late, delinquent or otherwise in default in the payment of rent on the closing date, Seller shall assign to Buyer the claim for and the right to collect the rent; Buyer shall pay such past due rent to Seller promptly upon receipt; but Buyer shall not be obligated to file suit to collect such rent and shall reassign the claim to Seller on demand. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments or other charges of a similar nature ("Additional Rent"), and such amounts shall be allocated between the parties pursuant to the terms of the applicable leases. If any Additional Rent is collected by Buyer after closing which is attributable in whole or in part to any period prior to closing, Buyer shall promptly pay to Seller Seller's proportionate share of the Additional Rent. Other:

None. There is no existing tenant at the Property.

9. Property Taxes. All property taxes first billed prior to the year of closing will be paid by Seller, without proration. All property taxes billed or to be billed in the year of closing will be paid as follows (choose one):

- No Proration:
- Buyer
- Seller shall pay the taxes billed in July.
- Buyer
- Seller shall pay the taxes billed in December.
Calendar Year Proration. Combined per diem tax amount representing both the July bill and the December bill shall be calculated based on a 365 day year. Seller shall be responsible for the per diem total from January 1 to, but not including, the day of closing. Buyer shall be responsible for the difference between the total of the two tax bills and the Seller's share. If the amount of either tax bill is unknown on the day of closing, it shall be calculated using the taxable value and the current millage rate assigned to the Premises as of the day of closing.

10. Special Assessments (choose one):

- Seller shall pay all special assessments which have become a lien on the Premises prior to the Effective Date, whether due in installments or otherwise.
Seller shall pay all special assessments which have become a lien on the Premises prior to the Effective Date, provide, however, that in the event a special assessment is payable in installments, Seller shall only be responsible for those installments covering the years prior to the year of closing, and Buyer shall be responsible for all installments covering all years after the year of closing. Installments of special assessments covering the year of closing shall be prorated using the same method set forth in this Agreement for the proration of real estate taxes.

Other: FOX GROUP WOULD PAY ANY SPECIAL ASSESSMENTS THAT ARE PAID DUE IN INSTALLMENTS AFTER CLOSING

11. **Conveyance.** Upon performance by Buyer of the closing obligations specified in this Agreement, Seller shall convey the marketable title to the Premises to Buyer by warranty deed or agree to convey marketable title by land contract or assignment, as required by this Agreement, including oil, gas and other mineral rights owned by Seller, if any, subject only to existing zoning ordinances, and the following matters of record: building and use restrictions, easements, oil and gas leases, and reservations, if any. As used herein, "marketable title" means marketable title within the meaning of the Michigan 40-Year Marketable Title Act (Mich. Comp. Laws §§ 565.101 et seq.).

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The following paragraph applies only if the Premises include unplatted land. Seller agrees to grant Buyer at closing the right to make (insert number) _____; _____ division(s) under Section 108 (2), (3) and (4) of the Michigan Land Division Act. (if no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or Broker do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval, on or before See Below _____ (date), of the proposed division to create the Real Estate. Other:

Seller will obtain the split from the Municipality within 30 days from the expiration of the Inspection Period.

12. **Warranties of Buyer.** Except as otherwise provided or acknowledged in this Agreement, Buyer represents and warrants to Seller as follows:
a. The performance of the obligations of Buyer under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to Buyer.
b. There is no litigation or proceeding pending, or to Buyer's knowledge threatened, against or involving Buyer, and Buyer does not know or have reason to know of any ground for any such litigation or proceeding, which could have an adverse impact on Buyer's ability to perform, or Seller's interests, under this Agreement.
c. In entering into this Agreement, Buyer has not relied upon any written or verbal representations made by Seller or any representative of Seller, including any real estate salesperson, regarding the Premises or any aspect of this transaction, which are not expressly set forth in this Agreement.
d. Other:

None

13. **Warranties of Seller.** Except as otherwise provided or acknowledged in this Agreement, Seller represents and warrants to, and agrees with Buyer as follows:
a. The performance of the obligations of Seller under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to Seller or the Premises.
b. There is no litigation or proceeding pending or to Seller's knowledge threatened against or involving Seller or the Premises, and Seller does not know or have reason to know of any ground for any such litigation or proceeding which could have an adverse impact on Seller's ability to perform under this Agreement or that could adversely affect Buyer's title or use of the Premises.
c. Seller shall continue to operate the Premises in the ordinary course of business and maintain the Premises in a state of good condition and repair during the interim between the signing of this Agreement and the closing date.
d. If a statement(s) of income and expense with respect to the operation of the Premises is (are) described in Exhibit A, such statement(s) is (are) accurate for the period(s) designated in the statement(s).
e. The information concerning written leases and tenancies not arising out of written leases described in Exhibit B is accurate as of the Effective Date, and there are no leases or tenancies with respect to the Premises other than those described in Exhibit B (the "Leases"). The warranties in this paragraph do not apply to oil and gas leases, if any. Except as otherwise described in Exhibit B:
(1) All of the leases are in full force and effect, no party thereto is in material default there under, and none of them have been modified, amended, or extended;
(2) No renewal or extension options have been granted to tenants;
(3) No tenant has an option to purchase the Premises;
(4) The rents set forth are being collected on a current basis and there are no arrearages or advance payments in excess of one month;
(5) There are no security deposits, and
(6) No real estate brokerage commission will become owing in the event of any tenant's exercise of any existing option to renew the term of any lease or purchase of the Premises.
f. If a schedule of service, maintenance, supply and management contracts ("Service Contracts") is described in Exhibit C, the Exhibit lists all the Service Contracts currently in effect with respect to the Premises.
g. ~~The Premises will be in compliance with any applicable smoke detector ordinances as of the closing date.~~
h. With respect to underlying land contracts or mortgages, the sale will not accelerate indebtedness, increase interest rates, or impose penalties and sanctions.
i. Seller is without personal knowledge as to the presence on the Premises of any toxic or hazardous substances or of any underground storage tanks.
j. Other:

Seller has provided all available (if any) Environmental Reports to Buyer & has fully disclosed any knowledge of Environmental issues with the Property to Buyer as of the Effective Date.

14. **Damage to Premises.** If between the Effective Date and the closing date, all or any part of the Premises is damaged by fire or natural elements or other causes beyond Seller's control that cannot be repaired prior to the closing date, or any part of the Premises is taken pursuant to any power of eminent domain, Seller shall immediately notify Buyer of such occurrence, and either Seller or Buyer may terminate this Agreement by written notice to the other within fifteen (15) days after the date of damage or taking. If neither elects to terminate this Agreement, there shall be no reduction in the purchase price and, at closing, Seller shall assign to Buyer whatever rights Seller may be with respect to any insurance proceeds or eminent domain award.

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15. Closing. The closing shall be held on or before MAY 15 ~~July 31, 2015~~ (date) and as promptly as practical after all necessary documents have been prepared. An additional period of twenty (20) days shall be allowed for closing to accommodate delays in title work or the correction of title defects and/or survey problems which can be readily correctable, delays in obtaining any required inspections, surveys or repairs, delays in completing Environmental Site Assessments, Baseline Environmental Assessment or Due Care Plan/Section 7a Compliance Analysis (if such assessments or plans were ordered in a timely manner), or if the terms of purchase require participation of a lender and the lender has issued a commitment consistent with the requirement but is unable to participate in the closing on or before the required date.

16. Possession. Seller shall tender to Buyer possession of the Premises upon completion of the closing, subject to all existing leases and rights of tenants in possession. Other:

Immediately upon Closing.

17. Seller's Closing Obligations. At closing, Seller shall deliver the following to Buyer:
a. The warranty deed, land contract or assignment of land contract required by this Agreement.
b. A bill of sale for any Personal Property (described in Exhibit "D").
c. A written assignment by Seller of Seller's interest in all leases and a transfer to Buyer of all security deposits, accompanied by the original or a true copy of each lease.
d. An assignment of all Seller's rights under any Service Contracts described in Exhibit C which are assignable by their terms and which Buyer wishes to assume, together with an original or true copy of each Service Contract assigned.
e. A notice to any tenants advising the tenants of the sale and directing that future payments be made to Buyer.
f. An accounting of operating expenses including, but not limited to, CAM, taxes, insurance and Additional Rent, collected in advance or arrears, spent or not yet spent by Seller, showing an accurate allocation between the parties pursuant to the leases.
g. Payment of the County and State real estate transfer tax.
h. Any other documents required by this Agreement to be delivered by Seller.

18. Buyer's Closing Obligations. At closing, Buyer shall deliver to Seller the following:
a. The cash portion of the purchase price specified in this Agreement shall be paid by cashier's check or other immediately available funds, as adjusted by the apportionments and assignments in accordance to this Agreement.
b. A written assumption by Buyer of the obligations of Seller under the leases arising after closing, including an acknowledgement of the receipt of all security deposits.
c. Any other documents required by this Agreement to be delivered by Buyer.

19. 1031 Tax Deferred Exchange. Upon either party's request, the other party shall cooperate and reasonably assist the requesting party in structuring the purchase and sale contemplated by this Agreement as part of a tax deferred, like-kind exchange under Section 1031 of the Internal Revenue code of 1986, as amended; provided, however, that in connection therewith, the non-requesting party shall not be required to (a) incur any additional costs or expenses; (b) take legal title to additional real property (i.e. the requesting party's "replacement property" or "relinquished property"); or (c) agree to delay the closing.

20. Earnest Money. Buyer gives NAI Wisinski of West Michigan Broker, thirty (30) ~~thirty (30)~~ FIVE (5) days to obtain the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding agreement between Buyer and Seller.
Buyer shall deposit \$ 5,000.00 with Chicago Title Escrow Agent, [insert name of Broker, Title Company or other] with this offer or within 3 business days after acceptance of this offer, evidencing Buyer's good faith, to be held by the Escrow Agent and to apply to the purchase price or the down payment portion thereof where applicable. If this offer is not accepted, or the title is not marketable, or if the purchase is contingent upon conditions specified that cannot be met, this deposit shall be promptly refunded. If the Buyer defaults, all deposits made may be forfeited as liquidated damages at Seller's election, or alternatively, Seller may retain the deposits as part payment of the purchase price and pursue Seller's legal or equitable remedies against Buyer. If the sale is not closed according to its terms, the selling Broker may notify Buyer(s) and Seller(s) of Escrow Agent's intended disposition of earnest deposit, and all parties shall be deemed to have agreed to the disposition of the earnest money deposit unless Escrow Agent is notified of a court action pending concerning this sale or disposition of earnest money within thirty (30) days after notice to the parties.

ME

21. Disclosure of Price and Terms. The purchase price and the terms of this sale may be disclosed by the Commercial Alliance of REALTORS® Multiple Listing Service (CARWM) in the ordinary conduct of its business. Deletion of this paragraph shall not be considered a counter offer that would require a counter acceptance.

22. Credit Reports. Buyer consents that, if not otherwise prohibited, the Broker(s) may give Seller information about the Buyer contained in a credit report that may be furnished to the Brokers(s) by a credit reporting agency.

23. Advice of Counsel. Buyer acknowledges that the Broker has recommended that the parties retain an attorney or attorneys to review the terms of this Agreement.

24. Brokerage Fee. Seller and/or Buyer agree(s) to pay the broker(s) involved in this transaction a brokerage fee as specified in any agency agreement or other written agreement between them. In the event no such agreement exists, Buyer Seller agrees to pay a brokerage fee of _____ This brokerage fee shall be paid in full promptly after it is earned, but not later than any applicable closing. Unless otherwise previously agreed, Buyer and/or Seller agree(s) that the brokerage fee may be shared by the recipient with any cooperating broker who participates in the sale, in such amount as the recipient decides, without further disclosure to or consent from Buyer and/or Seller. Other:

Buyer acknowledges that they are not represented by a Broker in this transaction and will not be seeking a brokerage fee for a representative.

Seller acknowledges that if a commission is owed under a prior agreement, execution of this agreement will not eliminate the prior agreement.

ME

Buyer's Initials

Seller's Initials

25. Environmental.

a. Notice to sellers, buyers, landlords and tenants (environmental risks).

Whenever real property is acquired or occupied, the buyer incurs some degree of risk with regard to potential environmental contamination and/or protected natural resources on the property. Various federal, state, and local laws may impose liability upon the buyer for the remediation of the contamination even though the buyer did not cause it, or may restrict the buyer's ability to fully develop or utilize the property. Such risk can be minimized through the performance of environmental due diligence.

No real estate brokers/salespersons in this transaction possess the expertise necessary to assess the nature or extent of these environmental risks or to determine the presence of environmental contamination or protected natural resources. The real estate brokers/salespersons involved in this transaction do not make independent investigations as to environmental contamination or protected natural resources with respect to any property, and they make no representations regarding the presence or absence, now or in the past, of environmental contamination. It is therefore prudent for each party to this transaction to seek legal and technical counsel from professionals experienced in environmental matters to provide an evaluation of the environmental risks associated with the transaction.

b. Environmental reports and assessments.

(1) Seller shall provide copies of any existing Environmental Assessments or reports involving the Premises within five (5) calendar days after the Effective Date.

(2) Buyer shall be given access to the Premises during normal business hours to perform an ASTM 1527 Phase 1 Site Assessment. Buyer shall pay 100 % and Seller shall pay 0 % of the cost of the Environmental Assessment. The Environmental Assessment shall be ordered by the Buyer Seller. The Environmental Assessment shall be completed within 90 ^P calendar days after the Effective Date and shall be certified to Buyer. Seller shall promptly cooperate and request its tenants to cooperate with Buyer in completing the Environmental Assessment.

ME

(3) If an Environmental Assessment of the Premises reveals recognized environmental conditions as defined by ASTM, then Buyer shall have the right to:

- a. terminate this Agreement within ten (10) calendar days after receipt of the Environmental Assessment report; or
- b. provide Seller with the Environmental Addendum (Seller's refusal to execute the Environmental Addendum within 30 days shall, at Buyers option, terminate this Agreement); or
- c. proceed with the purchase.

(4) For residential housing units, Seller will attach either the Seller's acknowledgement Form Concerning Lead-Based Paint or a Lead-Based Paint Seller's Disclosure form, depending on whether the improvements were built prior to 1978 or 1978 or later.

c. Nondisclosure.

If Buyer exercises its right to terminate this Agreement pursuant to subparagraph b. above, Buyer shall not disclose his/her Environmental Assessment report(s) to any third party. At Seller's request, Buyer shall provide copies of any Environmental Assessment report(s) to Seller.

d. Other: Seller has already submitted any available Environmental Reports to Buyer as of the Effective Date.

26. Other Provisions:

See Attached Exhibit F for Other Provisions.

27. Notices. Any notice required or permitted to be given hereunder shall be deemed to have been properly given, if in writing and delivered to the parties at the addresses shown below, and shall be deemed received (a) upon delivery, if delivered in person or by facsimile transmission, with receipt thereof confirmed by printed facsimile acknowledgement, (b) one (1) business day after having been deposited for next day overnight delivery with a nationally recognized overnight courier service, (c) two (2) business days after having been deposited in any U.S. post office or mail depository and sent by certified mail, postage paid, return receipt requested, or (d) upon sending, if sent by email (with a confirmation copy sent the same day by overnight delivery).

28. Additional Acts. Buyer and Seller agree to execute and deliver such additional documents and to perform such additional acts after the closing as may become necessary to effectuate the transfers contemplated by this Agreement.

29. Authority of the Parties. Each of the undersigned individuals who have signed this Agreement on behalf of Seller and Buyer entities represent and warrant that he/she is authorized to sign this Agreement on behalf of such party and to bind such party to the requirements of this Agreement.

30. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the sale of the Premises. All contemporaneous or prior negotiations have been merged into this Agreement. This Agreement may be modified or amended only by written instrument signed by the parties to this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

For purposes of this Agreement, the phrase, "Effective Date of this Agreement" ("Effective Date") shall be the date upon which this Agreement is fully executed (as described below):

31. Index of Exhibits.

Not Applicable	Attached	Seller to Furnish	Exhibit #	Subject
X			A	Income and expense with respect to the operation of the Premises
X			B	Written leases and any tenancies not arising out of written leases
		X	C	Service Contracts
X			D	List of personal Property
	X		E	Property Description
	X		F	Other Provisions

As to any "Seller to furnish" item(s) listed above, Buyer shall have the right to terminate this Agreement if any such item is not acceptable to Buyer by giving Seller written notice within 10 calendar days after receipt of such item(s), otherwise the right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived.

32. By signing below, Buyer acknowledges having read and received a copy of this Agreement.

Witness: _____ Buyer: _____
(Note: Please sign as you wish your name to appear on the final papers.)

Buyer: _____
(Note: Please sign as you wish your name to appear on the final papers.)

Entity of the Buyer: _____

Buyer's Address: _____ Bus. Phone: _____ Fax: _____
 _____ Email: _____

SELLER'S ACCEPTANCE

Date: _____ Time: _____

33. The above offer is hereby accepted:

By signing below, Seller acknowledges having read and received a copy of this Agreement. If this Agreement is signed by Seller without any modifications, this becomes the Effective Date.

Seller gives Broker above named until _____ (time) _____ (date) to obtain Buyer's written acceptance of counter offer, if any.

Witness: _____ Seller: _____
(Note: Please sign as you wish your name to appear on the final papers.)

Seller: _____
(Note: Please sign as you wish your name to appear on the final papers.)

Entity of the Seller: _____

Seller's Address: _____ Bus. Phone: _____ Fax: _____
 _____ Email: _____

BUYER'S RECEIPT OF ACCEPTANCE

Date: _____ Time: _____

34. Buyer acknowledges receipt of Seller's acceptance of Buyer's offer. If the acceptance was subject to changes from Buyer's offer, Buyer agrees to accept those changes, all other terms and conditions remaining unchanged. If this Agreement is signed by Buyer without any modification, this becomes the Effective Date.

Witness: _____ Buyer: _____

Buyer: _____

SELLER'S RECEIPT OF ACCEPTANCE

Date: _____ Time: _____

35. Seller acknowledges receipt of a copy of Buyer's acceptance of the counter-offer (if Seller made a counter-offer)

Witness: _____ Seller: _____

Seller: _____

EXHIBIT F – Other Provisions

1. Closing will occur the later of thirty (30) days from the expiration of the Inspection Period or upon receipt of the parcel split from the municipality. Buyer may also provide a thirty (30) day notice to Seller of Intent to Close in which case closing shall occur at the later of 30 days after said notice or upon receipt of the parcel split from the municipality. By providing such notice Buyer ends their Due Diligence Period and their earnest money becomes non-refundable to Buyer but will be applied to Purchase price at closing.
2. Seller shall be responsible for making application and causing Parcel to be split as shown in Exhibit E. Seller is responsible for all costs associated with split including survey or legal costs. Buyer will be responsible for all survey expenses above the standard survey cost required for the Parcel Split.
3. NAI Wisinski of West Michigan & Beachwalk Properties are representing the Seller in this transaction. No other broker is owed a commission.
4. Economic Incentives Contingency: Buyer shall, within ninety (90) days of the Effective Date, have the right to apply for, pursue and obtain all governmental approvals necessary or desirable to receive the benefit of development incentives available to the Property from federal, state or local governmental authorities pursuant to applicable law, including without limitation, tax abatements, tax credits, tax exemptions, tax increment financing, grants, bonds and special zoning designations ("Incentives"). If Buyer elects to apply for any such Incentives, (i) Buyer shall diligently pursue the requisite approvals and authorizations and shall do all things necessary to facilitate the approval process, and (ii) Seller shall cooperate with Buyer and provide such documentation, information, consent, and assistance as Buyer may reasonably request in furtherance of securing such Incentives at no out-of-pocket cost to Seller.



7.37 Acre Lot Split at 220 Aylworth Ave & 1280 Kalamazoo St



Disclaimer: All measurements are approximate.
3/31/2015

April 3, 2015

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: Factory Condo Memorandum of Understanding and Reimbursement Agreement

The Local Development Finance Authority was a party to the original reimbursement agreement with the developer of the Factory Condominium. At that time, the DEQ had feared that there would be cost overrun on the environmental cleanup and due care work, and demanded that some entity provide funding in the case of a cost overrun. The LDFA agreed to lend money to the project if there were a cost overrun.

In fact, there was not a cost overrun, and no LDFA funds were needed for the project.

Because the LDFA was a party to the original reimbursement agreement, it also must agree to the amendment to the reimbursement agreement, and has been included in the memorandum of understanding.

There are no financial obligations related to the LDFA's participation in the reimbursement agreement and memorandum of understanding.

Recommendation:

Approve the resolution which authorizes execution of the Memorandum of Understanding and Amendment to Reimbursement Agreement with the Factory Condominium.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2015-___

A RESOLUTION AUTHORIZING AGREEMENTS AND ACTIONS
TO ENABLE ENVIRONMENTAL REMEDIATION AT THE FACTORY
CONDOMINIUM SITE

Minutes of a regular meeting of the Local Development Finance Authority of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on April 13, 2015 at 4:00 p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by Member _____ and supported by Member _____.

WHEREAS, the Factory Condominium Association is the condominium association for the Factory Condominium, located at 125 Elkenburg Street, which is a condominium project consisting of 10 residential units and 1 business unit ("Unit B-1"); and

WHEREAS, the Van Buren County Treasurer foreclosed on Unit B-1, thereby acquiring title to the unit and, when that unit failed to sell at the tax auction, conveyed it to the City of South Haven (the "City") pursuant to MCL 211.78(m); and

WHEREAS, the real estate upon which the Unit B-1 improvements are constructed is contaminated by hazardous materials in amounts or at concentrations exceeding applicable criteria under applicable Michigan environmental laws; and

WHEREAS, The Michigan Department of Environmental Quality ("MDEQ") has agreed to undertake the remediation efforts to address that contamination, which will be a significant benefit to the Association and owners of units within the Factory Condominium including Unit B-1, but portions of the Unit B-1 building need to first be demolished to provide the access needed for that remediation; and

WHEREAS, the City is willing to undertake the needed demolition, and the Factory Condominium Association, the City, the South Haven Brownfield Redevelopment Authority, and the South Haven Local Development Finance Authority wish to cooperate in that effort by taking certain actions to be reflected in a Memorandum of Understanding and other related documents.

NOW THEREFORE BE IT RESOLVED, that the Local Development Finance Authority hereby approves and authorizes its Chair and Secretary to sign the Memorandum of Understanding attached as Exhibit A; and

Resolution 2015-___

- 1 -

18

BE IT FURTHER RESOLVED, that the Local Development Finance Authority approves and authorizes its Chair and Secretary to sign the 2nd Amended Reimbursement Agreement attached as Exhibit B.

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED.

Arthur Bolt, Chair

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of South Haven Local Development Finance Authority at a meeting held on the 13th day of April, 2015, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).

Paul VandenBosch, Secretary

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made as of _____, 2015, between the City of South Haven, a Michigan municipal corporation, of 539 Phoenix Street, South Haven, MI 49090 (the "City"), and The Factory Condominium Association, a Michigan nonprofit corporation, of 125 Elkenburg Street, Unit 11, South Haven, MI 49090 (the "Association").

RECITALS

- A. The Association is the condominium association for the Factory Condominium, located at 125 Elkenburg Street in the City and legally described on the attached Exhibit A, which is a condominium project consisting of 10 residential units and 1 business unit ("Unit B-1").
- B. The Van Buren County Treasurer foreclosed on Unit B-1, thereby acquiring title to same and, when that unit failed to sell at the tax auction, conveyed it to the City pursuant to MCL 211.78(m).
- C. The real estate upon which the Unit B-1 improvements are constructed is contaminated by hazardous materials in amounts or at concentrations exceeding applicable criteria under applicable Michigan environmental laws.
- D. The Michigan Department of Environmental Quality ("MDEQ") has agreed to undertake the remediation efforts generally described in the attached Exhibit B (the "Remediation") to address that contamination, which is a significant benefit to the Association and owners of units within the Factory Condominium including Unit B-1, but portions of the building need to be demolished as generally described in the attached Exhibit C (the "Demolition") to provide the access needed for that remediation, which demolition the City is willing to undertake under the terms of this MOU.
- E. This MOU is intended to establish terms and conditions for the demolition and the Remediation relating to the Factory Condominium, the availability of certain brownfield funds, and subsequent use of Unit B-1.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this MOU, the sufficiency of which is acknowledged, the parties agree:

1. Demolition.

A. The Demolition is generally described on the attached Exhibit C. Abonmarche Consultants, Inc. ("Abonmarche") is preparing bid documents consisting of plans, specifications, general conditions, contract terms and other documents in order to seek competitive bids for the Demolition. Abonmarche representatives have met with Association representatives to discuss the Demolition. The City will ensure that the Association is furnished with a copy of Demolition plans and specifications before they are finalized so that the Association may review the plans and specifications and comment on them to the City and Abonmarche. The City will consider Association comments prior to finalizing the plans and specifications and other bid documents.

B. In its sole discretion, the City may choose to accept or reject any or all bids, to negotiate with a selected bidder, to waive any irregularities or non-conformities, otherwise to award or not award the bid to any or none of the bidders as it may determine to be in the best interests of the City. The City may, in its sole discretion, determine to confer or not to confer with the Association concerning the bids. The City will notify the Association of the date and time at which bids will be publicly opened and the date and time of any public meeting to consider bid awards.

C. The City will ensure that Demolition is completed in accordance with the bid documents. However, the parties acknowledge that the Demolition will not occur until the MDEQ approves or consents to it.

2. Remediation. The Remediation is being undertaken by the MDEQ. Neither the City nor the Association will have any control over the Remediation. The MDEQ will retain an environmental easement to enter the property for the purpose of maintaining, periodically accessing to take samples from, and protecting test wells and to conduct any other necessary follow-up activities in connection with the

Remediation as the MDEQ may determine to be necessary or prudent under applicable environmental laws. The Association and City acknowledge that the Remediation will not completely eliminate the hazardous materials from Unit B-1, but rather is planned to remediate the contamination to levels that comply with applicable criteria under Michigan environmental laws. Accordingly, following Remediation certain uses may be restricted on Unit B-1, as determined by MDEQ, which may prevent uses for residential purposes and may require that Unit B-1 remain vacant, green space.

3. Conveyance. Following completion of the Demolition and Remediation, the City shall convey title to Unit B-1 to the Association by quit claim deed, and the Association shall accept the same. The property will be subject to a continuing environmental easement and may also be subject to restrictive covenants related to environmental issues.

4. Master Deed Amendment. The Demolition and retention of Unit B-1 will require an amendment to the Factory Condominium Master Deed as will its conversion to an open “green” space, if so required. Accordingly, the Association shall, at the sole cost of the Association, amend the Master Deed to provide for the following:

- A. Amendment of the condominium subdivision plan to depict Unit B-1 as open space; and
- B. Amendment to describe Unit B-1 as being an undevelopable general common element.

5. Brownfield Plan.

A. The City and the Association, along with the Local Development Finance Authority of the City of South Haven (“LDFA”) and the Brownfield Redevelopment Authority of the City of South Haven (“BRA”), previously entered into a Reimbursement, Development and Access Agreement, dated November 10, 2003, and recorded with the Van Buren County Register of Deeds on December 5, 2003 at L-1402, Pg-322, as amended by 1st Amended Reimbursement, Development and Access Agreement, dated December 10, 2008, and recorded with the Van Buren County Register of Deeds on December 11, 2008 at L-1510, Pg-908 (collectively, the “Reimbursement Agreement”). The Reimbursement Agreement provides for, among other things, reimbursement to the Association for costs incurred in performing certain activities intended to mitigate potential exacerbation of identified environmental contamination at the Factory Condominium development, as more particularly defined as “Eligible Activities” in the Reimbursement Agreement.

B. The parties understand and agree that the City is entitled to recover costs advanced by it in connection with the Demolition, which is an eligible activity under the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended. The Association and the City agree that the Demolition and Remediation will address mutual concerns arising from the environmental condition of the property underlying Unit B-1 and may also lessen future costs of the Association. Accordingly, the City shall have the first right to receive any tax increment funds captured from the Factory Condominium property until the costs the City incurs for the Demolition are fully reimbursed and, thereafter, the Association will receive any remaining tax increment funds captured from the Factory Condominium property to pay due care costs or costs of other eligible activities incurred by the Association and approved in the Reimbursement Agreement. If continued monitoring costs are to be incurred beyond the tax increment funds captured are exhausted, the City will cooperate with the Association to identify alternative funding sources that may be available to fund the continued monitoring, but shall not have any obligation to approve such funding. The parties agree to sign and record an amendment to the Reimbursement Agreement to provide for such tax increment funding priorities and all such further documents as maybe replied.

C. In addition, City, BRA and LDFA will together prepare, approve, and, as necessary submit for State approval(s), and any necessary amendment(s) to the City’s Brownfield Plan and Act 381 Work Plan for the Factory Condominium development to accomplish the reprioritization of tax increment funding detailed in the preceding subparagraph 5.B, and the Association shall not object to and will cooperate in making and submitting such amendment(s). The City’s performance of the Demolition is contingent upon any needed Act 381 Work Plan approvals from the MDEQ to ensure that school operations and state educational tax increment revenues can be captured to reimburse the City as provided in the preceding subparagraph 5.B.

6. PUD Amendment. Demolition of Unit B-1 will require an amendment to the current approved Factory

Condominium Planned Unit Development plan (the "PUD Plan") in order to modify it to depict Unit B-1 as open space. The City will initiate, and the Association shall cooperate in, that PUD Plan amendment process.

7. Salvage Materials. The Association shall have the right to salvage any materials located on Unit B-1 at any time prior to finalizing the Demolition bid documents. Contractors bidding the project will be factoring any salvage revenue into their bids, so that any change in conditions once the bid documents have been made public could affect the bid amounts. Accordingly, the Association shall have no right to salvage any materials located on Unit B-1 at any time after the bid documents are finalized. The Association shall provide the City with a summary detailing materials to be salvaged prior to the inception of Demolition.

8. Assessments and Voting. The Association agrees that the City shall have no obligation to pay any past or future condominium association assessments, dues or other charges as the owner of Unit B-1 incurred from the inception of its ownership of same and continuing through the Demolition and Remediation and ultimate conveyance of Unit B-1 to the Association as contemplated hereby. Since the City will not be paying condominium association assessments, it shall have no right to exercise any voting rights in connection with the Association. The Master Deed may be further amended accordingly.

9. Binding Effect. The parties agree to be bound by the provisions of this MOU, it being understood that such provisions, along with other normal and customary provisions or further elaboration of its provisions, shall be incorporated in the definitive agreements referred to in this MOU that are to be executed by the parties. The parties further agree to execute all such further commercially reasonable documents that are reasonably necessary to effectuate the terms of this Agreement not otherwise specifically referenced herein.

The City and the Association have signed this MOU as of the date first written above.

CITY OF SOUTH HAVEN

THE FACTORY CONDOMINIUM ASSOCIATION

By: _____
Robert Burr, Mayor

By: _____
Glenn Pietenpol, President

By: _____
Amanda Morgan, Clerk

Date signed: _____, 2015

Date signed: _____, 2015

Signed by the LDFA and BRA only as to paragraph 5.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF SOUTH HAVEN

BROWNFIELD REDEVELOPMENT
AUTHORITY OF THE CITY OF SOUTH HAVEN

By: _____
Arthur Bolt, Chairperson

By: _____
Arthur Bolt, Chairperson

By: _____
Paul VandenBosch, Secretary

By: _____
Paul VandenBosch, Secretary

Date signed: _____, 2015

Date signed: _____, 2015

Exhibit A

Legal Description

Property located in the City of South Haven, Van Buren County, Michigan described as follows:

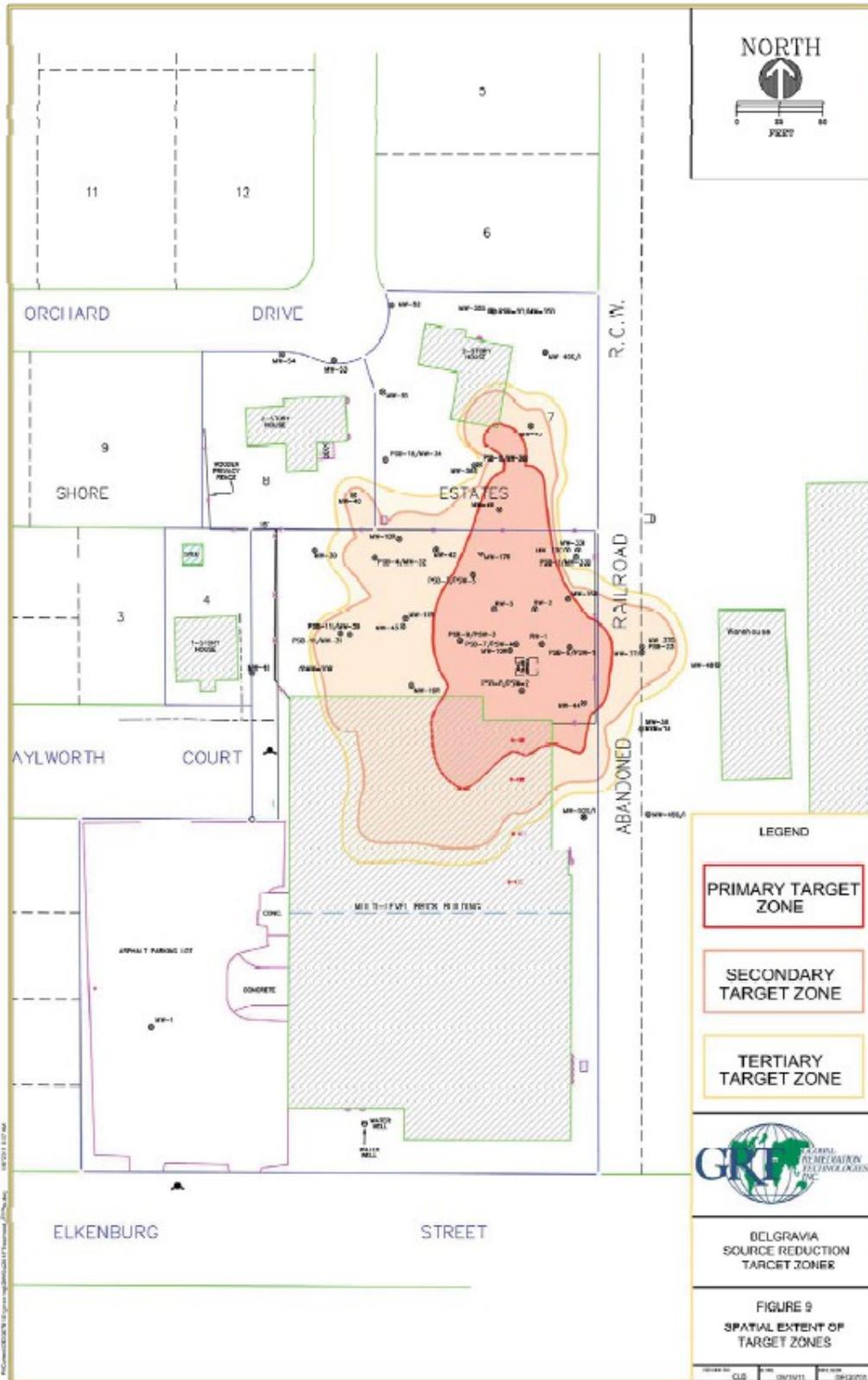
Lots 5, 6, 7, and 8, Block One, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, Van Buren County, Michigan. ALSO, lots 5 through 16, inclusive, and that part of Aylworth Court that is vacated, Block Two, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, Van Buren County, Michigan.

Now known as:

The Factory Condominium, as described on the Master Deed recorded with the Van Buren County Register of Deeds on June 25, 2001 in Liber 1334, Page 394, and any amendments to the same.

Exhibit B

General Description of MDEQ's Remediation



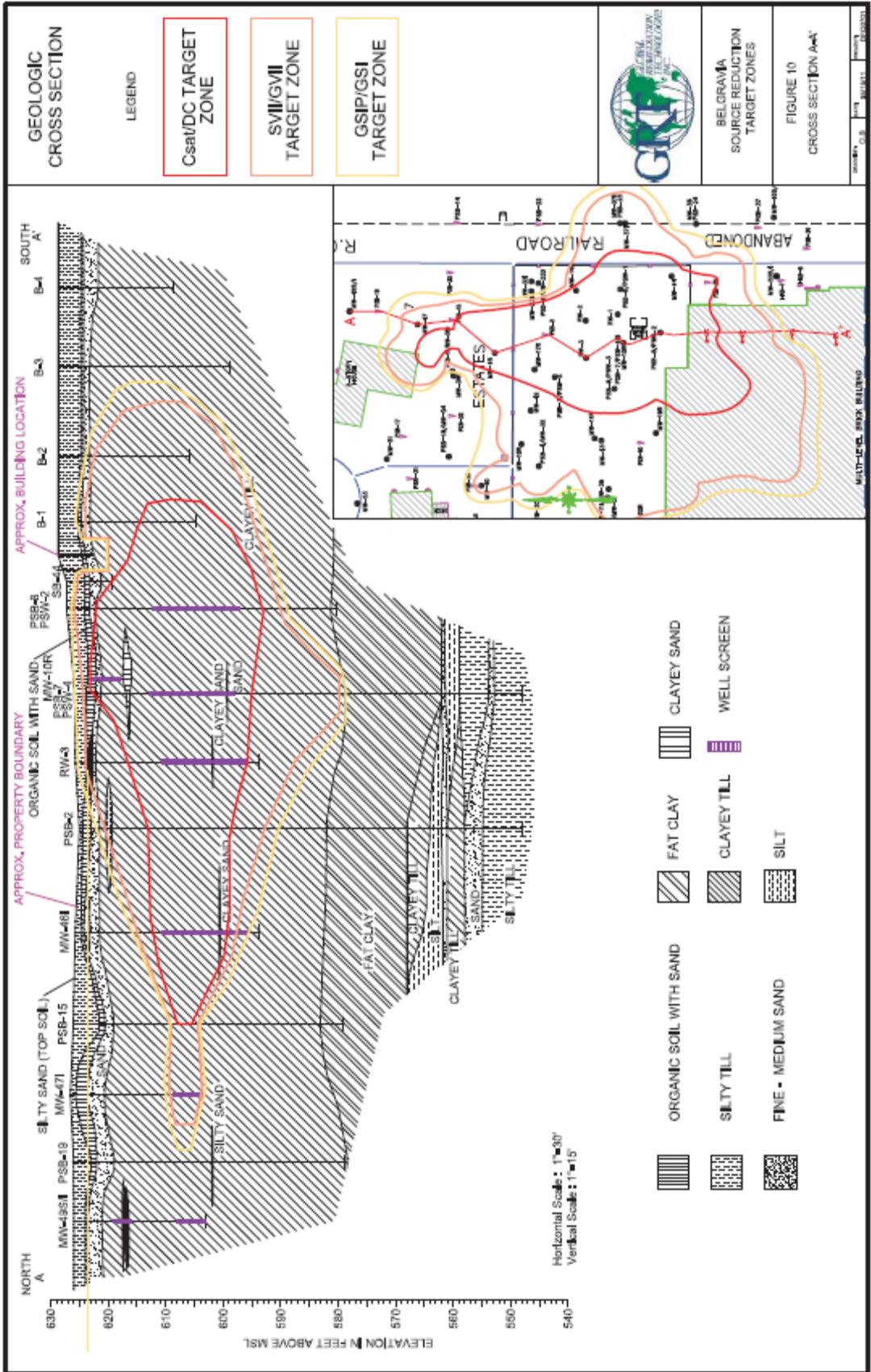


Exhibit C

General Description of Demolition

Removal and disposal of the building comprising Unit B-1, including removal and disposal of the concrete slab and other concrete remaining to a level of 4 feet below the surface. Filling as needed, adding top soil and grading to a finished grade that provides appropriate drainage of rain water, then seeding with grass seed comparable with that used in other general common elements of the Factory Condominium.

Careful removal required at existing structure to remain, including equipment room (to remain) and west steps at parking lot (to remain). Ten feet or existing floor slab at south limits of demolition to remain – full length of wall – to entrance to Room A. Slab to be saw cut at north edge of 10 foot width.

GRAPIDS 57671-1 337580v6

EXHIBIT B

2ND AMENDED REIMBURSEMENT, DEVELOPMENT AND ACCESS AGREEMENT

This 2nd Amended Reimbursement, Development and Access Agreement (the “2nd Amendment”) is made as of _____, 2015, among the City of South Haven, a Michigan municipal corporation (the “City”), the Local Development Finance Authority of the City of South Haven, a Michigan public body corporate (the “LDFA”) and the Brownfield Redevelopment Authority of the City of South Haven, a Michigan public body corporate (the “BRA”), all of which have a business address of 539 Phoenix Street, South Haven, MI 49090, and the Factory Condominium Association, a Michigan nonprofit corporation, the address of which is 125 Elkenburg Avenue, Unit 11, South Haven, MI 49090 (the “Association”).

RECITALS

A. The parties to this 2nd Amendment previously entered into a Reimbursement, Development and Access Agreement, dated November 10, 2003, and recorded with the Van Buren County Register of Deeds on December 5, 2003 at L-1402, P-322, as amended by a 1st Amended Reimbursement, Development and Access Agreement, dated December 10, 2008, and recorded with the Van Buren County Register of Deeds on December 11, 2008 at L-1510, P-908 (collectively, the “Reimbursement Agreement”).

B. The Reimbursement Agreement provides for, among other things, reimbursement to the Association for costs incurred in performing certain activities intended to mitigate environmental contamination at the Factory Condominium property, more particularly described as follows (the “Site”):

Lots 5, 6, 7, and 8, Block One, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, Van Buren County, Michigan. ALSO, lots 5 through 16, inclusive, and that part of Aylworth Court that is vacated, Block Two, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, Van Buren County, Michigan.

C. The Site includes 10 residential units and 1 business unit, known as Unit B-1, which business unit is constructed on real estate that is contaminated by hazardous materials.

D. The City is the current owner of Unit B-1

E. By resolution dated _____, 2015, the City Council approved an Amendment to the City’s Brownfield Plan providing that the City will demolish Unit B-1 and undertake other related activities that qualify as “eligible activities” under the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (the “Eligible Demolition Activities”), so that the Michigan Department of Environmental Quality (“MDEQ”) may undertake remediation efforts to address the contamination on the Site.

F. The Eligible Demolition Activities are estimated to cost \$160,000, and will provide a substantial benefit to the Association and the City.

G. As of the date of this 2nd Amendment, the BRA has captured a total of \$ 522,022 in Tax Increment Revenues from the Site and has a fund balance of \$256,826 because tax capture on the Site has exceeded, up through this date, the cost of the eligible activities subject to reimbursement under the Reimbursement Agreement.

H. This 2nd Amendment amends the Reimbursement Agreement so as to allow the City to be reimbursed for the cost of the Eligible Demolition Activities, and also extends the duration of tax capture so that the Association may still receive reimbursement for up to \$814,650 in eligible activities as authorized in the Reimbursement Agreement.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this 2nd Amendment, the parties agree as follows:

1. Reimbursement to the City. The City may perform the Eligible Demolition Activities pursuant to a work plan approved by the MDEQ. Upon incurring costs for the Eligible Demolition Activities, the City may submit those costs to the BRA for reimbursement, and shall be reimbursed by the BRA, in accordance with the reimbursement procedures described in paragraph 4 of the 1st Amended Reimbursement, Development and Access Agreement.
2. Extension of Reimbursement Agreement Term. The term of the Reimbursement Agreement shall be extended from December 31, 2023 to December 31, 2032. The BRA's obligation to reimburse the Association for eligible activities performed on the Site shall expire as of December 31, 2032, even if the Association has not received full reimbursement as of that date due to insufficient Tax Incremental Revenues.
3. Full Force and Effect. The terms and conditions of the Reimbursement Agreement remain in full force and effect except as explicitly modified in this 2nd Amendment.

The parties have signed this Agreement as of the date first written above.

CITY OF SOUTH HAVEN

STATE OF MICHIGAN
COUNTY OF VAN BUREN

By: _____
Robert Burr, Mayor

On _____, 2015, Robert Burr and Amanda Morgan, personally known to me at the Mayor and City Clerk, respectively, of the City of South Haven, appeared before me and acknowledged their signatures on this document on behalf of that City.

By: _____
Amanda Morgan, City Clerk

*
Notary Public
Van Buren County, Michigan
Acting in Van Buren County, Michigan
My commission expires: _____

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF SOUTH HAVEN

STATE OF MICHIGAN
COUNTY OF VAN BUREN

By: _____
Arthur Bolt, Chairperson

On _____, 2015, Arthur Bolt and Paul VandenBosch, personally known to me at the Chairperson and Secretary, respectively, of the Local Development Finance Authority of the City of South Haven, appeared before me and acknowledged their signatures on this document on behalf of that Authority.

By: _____
Paul VandenBosch, Secretary

*
Notary Public
Van Buren County, Michigan
Acting in Van Buren County, Michigan
My commission expires: _____

BROWNFIELD REDEVELOPMENT AUTHORITY
OF THE CITY OF SOUTH HAVEN

By: _____
Arthur Bolt, Chairperson

By: _____
Paul VandenBosch, Secretary

THE FACTORY CONDOMINIUM ASSOCIATION

By: _____
Glenn Pietenpol, President

STATE OF MICHIGAN
COUNTY OF VAN BUREN

On _____, 2015, Arthur Bolt and Paul VandenBosch, personally known to me at the Chairperson and Secretary, respectively, of the Brownfield Redevelopment Authority of the City of South Haven, appeared before me and acknowledged their signatures on this document on behalf of that Authority.

*
Notary Public
Van Buren County, Michigan
Acting in Van Buren County, Michigan
My commission expires: _____

STATE OF MICHIGAN
COUNTY OF VAN BUREN

On _____, 2015, Glenn Pietenpol, personally known to me at the President of The Factory Condominium Association, appeared before me and acknowledged his signature on this document on behalf of that entity.

*
Notary Public
Van Buren County, Michigan
Acting in Van Buren County, Michigan
My commission expires: _____

Exempt from transfer taxes because this document does not convey any interest in any real property.

Prepared by:
Scott G. Smith
Dickinson Wright PLLC
200 Ottawa Ave. NW, Suite 1000
Grand Rapids, MI 49503

When recorded return to:
Amanda Morgan, City Clerk
City of South Haven
539 Phoenix Street
South Haven, MI 49090

GRAPIDS 57671-1 352945v7



REIMBURSEMENT, DEVELOPMENT AND ACCESS AGREEMENT

This Reimbursement, Development and Access Agreement is made as of November 10, 2003, among the City of South Haven, a Michigan municipal corporation (the "City"), the Local Development Finance Authority of the City of South Haven, a Michigan public body corporate (the "LDFA") and the Brownfield Redevelopment Authority of the City of South Haven, a Michigan public body corporate (the "BRDA"), all of which have a business address of which is 239 Phoenix Street, South Haven, MI 49090, Marc Bertorelli, Builder, LLC, a Michigan limited liability company, the address of which is 125 Elkenburg Ave., Unit B, South Haven, MI 49090 ("Bertorelli"), and The Factory Condominium Association, a Michigan corporation, the address of which is c/o Marc Bertorelli, 125 Elkenburg Ave., Unit B, South Haven, MI 49090 (the "Association").

RECITALS

A. In 1999, the City entered into a Site Reclamation Grant Agreement (Project No. 450630-67, Project Name: Belgravia Site) with the Michigan Department of Environmental Quality ("MDEQ") for \$372,000 to be used for site investigation and up to \$198,000 to be used for response activities (the "Grant Agreement") on the former Belgravia/Hamlin Overton property at 125 Elkenburg Ave. in the City and more particularly described on the attached Exhibit A (the "Site").

B. In December, 2002, the Grant was augmented by an additional \$430,000 to be used for response activities (together with the original grant amount, the "Grant Funds").

C. On October 21, 2003, the City was notified by the MDEQ that it had approved a bid from Great Lakes Carbon Treatment ("GLCT") for installation of a vapor barrier on a concrete slab and on a soil foundation, excavations and proper disposal of certain hydrocarbon impacted soils, installation of a soil-vapor extraction and recovery system with horizontal wells and an extraction blower system, grading of a portion of the Site to provide positive drainage to an existing storm sewer and furnishing 6-inches of top-soil cover on the graded area, all within the proposed health club area (the health club, tennis court and pool area) and in the rear yard at the Site at a not-to-exceed bid price of \$379,890 and the use of Grant Funds therefor, subject to certain requirements (the "Approved Work") which are stated as follows (the "Grant Fund Use Conditions"):

(i) As the Approved Work is undertaken, there is a potential for encountering hazardous soils. The cost for soil removal and disposal will be \$380 per ton for hazardous soil. Field oversight must include watching for extremely contaminated soils, and, if such soils are encountered, they must be contained, characterized and otherwise handled separately in order to reduce the volume of any soils to be disposed of as hazardous soils.

(ii) The remaining Grant Funds are insufficient to cover more than a minimal project

*Marc Bertorelli
City of South Haven
1189 - 8th Ave
So H 49090*

cost increase. Therefore, the City must provide for any additional costs encountered due to hazardous soils or other unknown conditions.

(iii) GLCT must select qualified subcontractors and to perform the work within the specifications and at the bid price. The City must submit to the MDEQ information about the selected subcontractors retained to perform major components of the Approved Work.

(iv) MACTEC (the City's engineer for the Approved Work) is to take photos of the Approved Work in progress and to include those photos in progress report(s) and in the final report.

(v) The MDEQ shall be invited for site visit(s) during time(s) when the SVE system is being installed, and when the vapor barrier is being installed. The following MDEQ staff are to be notified: Jeff Crum, Carol Hefferan, David O'Donnell, Susan Erickson, and Carol Skillings.

(vi) In order to be eligible for the use of Grant Funds, MDEQ authorization is required prior to incurring any cost increase or conducting a change in scope of a work plan or bid price or specification, including additions or change orders or significant decreases.

(v) The Approved Work is to be completed and overseen pursuant to a work plan for design and engineering support by MACTEC, dated 5/1/03 and sent 5-9-03, as approved by the MDEQ on June 2, 2003. The work plan contains activities for construction oversight and engineering services, preparation of a HASP, project administration, and preparation of a final report.

D. Bertorelli owns the Site the ownership of which will be conveyed to the Association upon completion of the construction of the health club, tennis court and pool area (the "Improvements").

E. The City does not have funds available to meet any possible increased costs for the Approved Work, such as by way of example and not by limitation, any costs that may be incurred for properly handling seriously contaminated soils at the Site (the "Additional Work"), and Bertorelli has indicated an inability to provide that funding.

F. The LDFA has funds it could advance for such purposes, provided such funds are repaid with reasonable interest.

G. The Site is a "facility" and "eligible property" as those terms are defined in the Brownfield Redevelopment Financing Act, 1996 P.A. 381, as amended ("Act 381"), pursuant to which the Authority prepared a Brownfield Plan which was duly approved by the City Council of City (the "Brownfield Plan")

H. The construction of the Improvements will lead to an increase in the taxable value of the Site which will generate increased incremental tax revenues ("Tax Increment Revenues") that may be captured by the BRDA to defray or reimburse the costs of eligible activities including the Approved Work.

I. To assure sufficient Tax Increment Revenues are available to reimburse the LDFA on a timely basis, it is necessary to assure the taxable value of the Site after completion of the Improvements.

J. The Association owns property adjacent to the Site over which access may be needed to perform the Approved Work and/or the Additional Work.

K. The parties are entering into this Agreement to establish the procedure for and assure the funds for such reimbursement.

TERMS AND CONDITIONS

Therefore, in exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Work. Provided the Additional Work constitutes "eligible activities" as defined in Act 381, the BRDA shall cause the Additional Work to be completed as soon as possible after the MDEQ approves the work plan therefor. If the Additional Work does not constitute "eligible activities" as defined in Act 381, the BRDA shall not undertake the Additional Work.
2. Advance. The LDFA shall, when presented by the BRDA with invoices for the Additional Work, advance to the BRDA funds to pay such invoices at a not to exceed total amount of \$375,000. The BRDA shall repay the LDFA such advances with interest at the rate of 6.0% per annum from the date of the advancement.
3. Capture of Taxes. The City shall during the term of this Agreement collect all possible Tax Increment Revenues from the Site and transmit such Tax Increment Revenues to the BRDA for repayment of the LDFA's advances as provided in this Agreement.
4. Funding Source. The sole funding source for reimbursement of the LDFA's advances will be from Tax Increment Revenues generated from the development of the Site and captured by the BRDA pursuant to its Brownfield Plan for the Site. Accordingly the completion of the Improvements and the taxable value of the Site when the Improvements are completed are critical to the funding source. Therefore, Bertorelli and the Association represent, covenant, and agree that:
 - (a) The Improvements shall be completed within 180 days of the completion of the Approved Work and the Additional Work, if any;
 - (b) When the Improvements are completed, the Site with the completed Improvements shall have the initial taxable value of at least \$1,000,000;
 - (c) The parties stipulate and agree that the taxable value of the Site with the completed Improvements shall be based upon the value stated in subparagraph (b) above as it may be adjusted from time to time based upon the depreciation schedules generally applicable to any personal property which is part of the Improvements and as adjusted consistent with constitutional and statutory property tax limitations; and
 - (d) As long as the taxable values for the Site with the completed Improvements are established as provided in subparagraph (c), there will be no appeal of those values to the City's Board of Review, the Michigan Tax Tribunal or other agency or court of competent jurisdiction until the advances from the LDFA have been repaid in full with the interest as required by this Agreement.
5. Access over Association Property. As an ultimate beneficiary of the Approved Work and the Additional Work, if any, because it will ultimately own and control the Site, the Association consents to use of Association property by GLCT, MACTEC, the City and the MDEQ for access to the Site to undertake, complete, inspect, direct and oversee the Approved Work and any Additional Work. This access consent shall remain in effect from the date of this Agreement until the Approved Work and Additional Work, if any, is completed as required by the MDEQ. The City shall cause GLCT and all others granted access over the Association property pursuant to this paragraph to repair and restore any portion of the Association property that is

disturbed or damaged as a result of any use permitted by this Agreement. All use of the Association property permitted by this Agreement and all work done pursuant to this Agreement shall be completed without cost to the Association. The granting of access under this paragraph being the sole obligation of the Association under this Agreement and the Association has no other obligations under this Agreement.

6. Site Access and Use. Bertorelli grants and consents to access and use of the Site by GLCT, MACTEC, the City and the MDEQ to undertake, complete, inspect, direct and oversee the Approved Work and any Additional Work. This grant and consent to access and use of the Site shall remain in effect from the date of this Agreement until the Approved Work and any Additional Work is completed as required by the MDEQ.

7. Term. This Agreement shall terminate when the Approved Work and any Additional Work is completed and all reimbursements are completed as required under this Agreement.

8. Miscellaneous.

(A) This is the entire Agreement between the parties with respect to its subject matter. It may not be modified or amended except in writing, signed by all parties. The captions are for convenience of reference only and shall form not part in its interpretation. The recitals, however, are an integral part of this Agreement. This Agreement shall not be affected by any course of dealing or usage of trade.

(B) In case of any dispute pursuant to this Agreement, the parties agree that, to the extent not otherwise prohibited by law, the jurisdiction and venue for any such dispute shall be solely within the state courts located in Van Buren County, Michigan. The parties further agree that in any such dispute the prevailing party shall, in addition to any other relief to which it may be entitled, be awarded its actual cost, including, without limitation, filing fees, discovery costs, actual reasonable attorneys' fees, expert witness fees, and other costs incurred to bring, maintain or defend any such action from its first accrual or notice thereof through all appellate and collection proceedings.

(C) This Agreement shall be binding upon the parties and their respective successors and assigns. However, no rights, duties or obligations under this Agreement may be assigned without the prior written consent of all the parties.

THE PARTIES have signed this Agreement as of the date first written above.

CITY OF SOUTH HAVEN

STATE OF MICHIGAN
COUNTY OF VANBUREN

By: Dale Lewis
Dale Lewis, Mayor

On Nov 25, 2003, Dale Lewis and Deb Davidson, the Mayor and City Clerk, respectively of the City of South Haven personally appeared before me and acknowledged their signatures on this Agreement on behalf of that city.

By: Deb Davidson
Deb Davidson, Clerk

Amanda Steig
* Amanda Steig
Notary public, VanBuren County, Michigan
My commission expires: 8/7/07

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITY OF SOUTH
HAVEN

By: Ronald L. Hartgerink
Ronald L. Hartgerink, Chairman

By: Paul VandenBosch
Paul VandenBosch, Secretary

STATE OF MICHIGAN
COUNTY OF VANBUREN

On Nov 20, 2003, Ronald L. Hartgerink and Paul VandenBosch, the Chairman and Secretary, respectively of the Local Development Finance Authority of the City of South Haven personally appeared before me and acknowledged their signatures on this Agreement on behalf of that Authority.

Amanda Sleight
* Amanda Sleight
Notary public, VanBuren County, Michigan
My commission expires: 8/7/07

BROWNFIELD REDEVELOPMENT
AUTHORITY OF THE CITY OF SOUTH
HAVEN

By: Ronald L. Hartgerink
Ronald L. Hartgerink, Chairman

By: Paul VandenBosch
Paul VandenBosch, Secretary

STATE OF MICHIGAN
COUNTY OF VANBUREN

On Nov 19th, 2003, Ronald L. Hartgerink and Paul VandenBosch, the Chairman and Secretary, respectively of the Brownfield Redevelopment Authority of the City of South Haven personally appeared before me and acknowledged their signatures on this Agreement on behalf of that Authority.

Genevieve Woodley
*
Notary public, VanBuren County, Michigan
My commission expires: 9/16/07

MARC BERTORELLI , BUILDER, LLC

By: Marc Bertorelli
Marc Bertorelli, Member

STATE OF MICHIGAN
COUNTY OF VANBUREN

On Nov 19th, 2003, Marc Bertorelli, a member of Marc Bertorelli, Builder, LLC, a Michigan limited liability company personally appeared before me and acknowledged his signature on this Agreement on behalf of that company.

Genevieve Woodley
*
Notary public, VanBuren County, Michigan
My commission expires: 9/16/07

THE FACTORY CONDOMINIUM
ASSOCIATION

By: *Alan Bartel*
_____, President

STATE OF MICHIGAN
COUNTY OF VANBUREN

On Nov 19, 2003, *Marc Bertorelli*
the president of The Factory Condominium
Association, a Michigan corporation personally
appeared before me and acknowledged his/her
signature on this Agreement on behalf of that
corporation.

Kenee B. Woodley
*

Notary public, VanBuren County, Michigan
My commission expires: 9/17/03

Drafted by:
Scott G. Smith
LAW WEATHERS & RICHARDSON, P.C.
333 Bridge Street, NW, Suite 800
Grand Rapids, MI 49504

EXHIBIT A
LEGAL DESCRIPTION OF "SITE"

681

125 Elkenburg Street
South Haven, South Haven Township, Michigan

Lots 5, 6, 7, and 8, Block One, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, VanBuren County, Michigan. ALSO, lots 5 through 16, inclusive, and that part of Aylworth Court that is vacated, Block Two, Aylworth Subdivision, part of the Elkenburg Addition to the City of South Haven, South Haven Township, VanBuren County, Michigan.

06909 (059) 215028.03

BUDGET REPORT FOR CITY OF SOUTH HAVEN
 Fund: 251 LOCAL DVLP FINANCE ATHR DIST #1

FY 2015-2016 PROPOSED BUDGET
 Calculations as of 03/31/2015

GL NUMBER	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 03/31/15	2014-15 PROJECTED ACTIVITY	2015-16 RECOMMENDED BUDGET
Dept 000-REVENUES						
251-000-402-000	CURRENT REAL PROPERTY TAXES	83,956	48,820	48,820	48,820	49,084
251-000-410-000	PERSONAL PROPERTY TAXES	140,224	116,508	116,508	116,508	125,764
251-000-665-000	INTEREST INCOME	8,705	5,000	1,360	5,000	5,000
251-000-665-251	MARKET VALUE ADJUSTMENTS	2,930	0	0	0	0
251-000-678-001	OTHER REIMBURSEMENTS	0	34,943	34,943	34,943	0
251-000-690-000	SUNDRY-MISC OPERATING REVENUE	2,650	0	0	0	0
NET OF REVENUES/APPROPRIATIONS - 000-REVENUES		238,465	205,271	201,631	205,271	179,848
Dept 901-INDUSTRIAL DEVELOPMENT						
251-901-704-000	SALARIES & WAGES - PART-TIME	12,203	13,302	9,479	13,302	13,395
251-901-712-000	WORKERS COMPENSATION	31	0	39	0	40
251-901-713-000	PAYROLL TAXES	933	1,025	725	1,025	1,025
251-901-713-001	UNEMPLOYMENT COMPENSATION	0	156	130	156	130
251-901-727-000	OFFICE SUPPLIES	51	0	0	0	50
251-901-801-000	PROFESSIONAL/CONSULTING FEES	5,083	1,000	2,400	1,000	52,500
251-901-802-000	OTHER CONTRACTUAL SERVICES	55,352	52,000	1,845	52,000	10,000
251-901-860-000	TRAVEL/CONFERENCES/TRAINING	18	0	8	0	0
251-901-958-000	SUBSCRIPTIONS/MEMBERSHIPS	135	0	81	0	0
251-901-974-000	CAPITAL PROJECTS	8,503	0	0	0	100,000
NET OF REVENUES/APPROPRIATIONS - 901-INDUSTRIAL DEVE		(82,309)	(67,483)	(14,707)	(67,483)	(177,140)
Dept 965-OPERATING TRANSFERS OUT						
251-965-999-371	OPER TRANS OUT-2003 CAP BOND	120,000	120,000	90,000	120,000	120,000
NET OF REVENUES/APPROPRIATIONS - 965-OPERATING TRANS		(120,000)	(120,000)	(90,000)	(120,000)	(120,000)
ESTIMATED REVENUES - FUND 251		238,465	205,271	201,631	205,271	179,848
APPROPRIATIONS - FUND 251		202,309	187,483	104,707	187,483	297,140
NET OF REVENUES/APPROPRIATIONS - FUND 251		36,156	17,788	96,924	17,788	(117,292)
BEGINNING FUND BALANCE		661,841	697,996	697,996	697,996	715,784
ENDING FUND BALANCE		697,997	715,784	794,920	715,784	598,492

BUDGET REPORT FOR CITY OF SOUTH HAVEN
 Fund: 252 LOCAL DVLP FINANCE ATHR DIST #2

FY 2015-2016 PROPOSED BUDGET
 Calculations as of 03/31/2015

GL NUMBER	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 03/31/15	2014-15 PROJECTED ACTIVITY	2015-16 RECOMMENDED BUDGET
Dept 000-REVENUES						
252-000-402-000	CURRENT REAL PROPERTY TAXES	22,330	10,994	10,994	10,994	11,309
252-000-410-000	PERSONAL PROPERTY TAXES	15,975	16,141	16,184	16,141	23,427
252-000-665-000	INTEREST INCOME	1,659	2,000	207	2,000	2,000
252-000-665-252	MARKET VALUE ADJUSTMENTS	(2,767)	0	0	0	0
252-000-678-001	OTHER REIMBURSEMENTS	0	2,435	2,435	2,435	0
NET OF REVENUES/APPROPRIATIONS - 000-REVENUES		37,197	31,570	29,820	31,570	36,736
Dept 901-INDUSTRIAL DEVELOPMENT						
252-901-704-000	SALARIES & WAGES - PART-TIME	13,936	16,000	10,427	16,000	14,734
252-901-712-000	WORKERS COMPENSATION	0	0	43	0	44
252-901-713-000	PAYROLL TAXES	1,066	2,000	798	2,000	1,127
252-901-713-001	UNEMPLOYMENT COMPENSATION	0	172	143	172	143
252-901-801-000	PROFESSIONAL/CONSULTING FEES	63	0	0	0	0
NET OF REVENUES/APPROPRIATIONS - 901-INDUSTRIAL DEVE		(15,065)	(18,172)	(11,411)	(18,172)	(16,048)
Dept 965-OPERATING TRANSFERS OUT						
252-965-999-101	OPER TRANS OUT - GENERAL	0	20,000	15,000	20,000	30,000
252-965-999-370	OPER TRANS OUT- BLDG AUTH #2	13,154	12,946	9,709	12,946	12,984
NET OF REVENUES/APPROPRIATIONS - 965-OPERATING TRANS		(13,154)	(32,946)	(24,709)	(32,946)	(42,984)
ESTIMATED REVENUES - FUND 252		37,197	31,570	29,820	31,570	36,736
APPROPRIATIONS - FUND 252		28,219	51,118	36,120	51,118	59,032
NET OF REVENUES/APPROPRIATIONS - FUND 252		8,978	(19,548)	(6,300)	(19,548)	(22,296)
BEGINNING FUND BALANCE		238,993	247,971	247,971	247,971	228,423
ENDING FUND BALANCE		247,971	228,423	241,671	228,423	206,127

BUDGET REPORT FOR CITY OF SOUTH HAVEN
 Fund: 253 LOCAL DVLP FINANCE ATHR DIST #3

FY 2015-2016 PROPOSED BUDGET
 Calculations as of 03/31/2015

GL NUMBER	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 03/31/15	2014-15 PROJECTED ACTIVITY	2015-16 RECOMMENDED BUDGET
Dept 000-REVENUES						
253-000-402-000	CURRENT REAL PROPERTY TAXES	36,649	42,050	42,050	42,050	39,918
253-000-410-000	PERSONAL PROPERTY TAXES	15,365	14,995	14,995	14,995	12,689
253-000-665-000	INTEREST INCOME	6,981	2,000	1,970	2,000	5,000
253-000-665-253	MARKET VALUE ADJUSTMENTS	890	0	0	0	0
253-000-678-001	OTHER REIMBURSEMENTS	0	369	369	369	0
NET OF REVENUES/APPROPRIATIONS - 000-REVENUES		59,885	59,414	59,384	59,414	57,607
Dept 901-INDUSTRIAL DEVELOPMENT						
253-901-704-000	SALARIES & WAGES - PART-TIME	16,822	16,759	11,691	16,759	16,520
253-901-712-000	WORKERS COMPENSATION	71	0	50	0	50
253-901-713-000	PAYROLL TAXES	1,287	1,263	894	1,263	1,264
253-901-713-001	UNEMPLOYMENT COMPENSATION	0	193	161	193	161
253-901-727-000	OFFICE SUPPLIES	30	0	0	0	0
253-901-802-000	OTHER CONTRACTUAL SERVICES	153	500	0	500	0
253-901-860-000	TRAVEL/CONFERENCES/TRAINING	18	500	18	500	0
253-901-958-000	SUBSCRIPTIONS/MEMBERSHIPS	135	0	189	0	0
253-901-974-000	CAPITAL PROJECTS	0	0	0	0	100,000
253-901-974-002	WATER TANK - GRANT PROJECT	0	75,000	0	75,000	0
NET OF REVENUES/APPROPRIATIONS - 901-INDUSTRIAL DEVE		(18,516)	(94,215)	(13,003)	(94,215)	(117,995)
Dept 905-DEBT SERVICE						
253-905-991-001	PRIN DEBT - MEDC LOAN	27,208	27,208	20,406	27,208	27,208
NET OF REVENUES/APPROPRIATIONS - 905-DEBT SERVICE		(27,208)	(27,208)	(20,406)	(27,208)	(27,208)
Dept 965-OPERATING TRANSFERS OUT						
253-965-999-101	OPER TRANS OUT - GENERAL	0	5,000	3,750	5,000	35,000
NET OF REVENUES/APPROPRIATIONS - 965-OPERATING TRANS		0	(5,000)	(3,750)	(5,000)	(35,000)
ESTIMATED REVENUES - FUND 253		59,885	59,414	59,384	59,414	57,607
APPROPRIATIONS - FUND 253		45,724	126,423	37,159	126,423	180,203
NET OF REVENUES/APPROPRIATIONS - FUND 253		14,161	(67,009)	22,225	(67,009)	(122,596)
BEGINNING FUND BALANCE		540,480	554,643	554,643	554,643	487,634
ENDING FUND BALANCE		554,641	487,634	576,868	487,634	365,038