

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

Meeting of June 6, 2017
2 pm - Council Chambers, City Hall, 70 Maple Street,
Manistee, Michigan

AGENDA

I CALL TO ORDER

II ROLL CALL

III APPROVAL OF AGENDA

At this time the Brownfield Redevelopment Authority can take action to approve the June 6, 2017 agenda.

IV APPROVAL OF MINUTES

At this time Brownfield Redevelopment Authority can take action to approve the January 3, 2017 meeting minutes.

V PUBLIC HEARING

VI FINANCIAL REPORTS

Approval of Invoices

No new invoices

Financial Statements

Finance Director Ed Bradford will give a financial status update on the Brownfield Redevelopment Authority Funds.

VII NEW BUSINESS

North Channel TIF Assignment

North Channel Investors, LLC owns and is renovating the former North Channel Outlet building. The City of Manistee Brownfield Redevelopment Authority previously entered into a development and reimbursement agreement with the owner. The agreement allows for the assignment of rights and obligations upon written approval of the Brownfield Authority. The owner is requesting approval of an assignment agreement for the TIF reimbursement whereby the TIF is assigned to their lender, Shelby State Bank.

At this time the City of Manistee Brownfield Redevelopment Authority could take action to approve an Assignment of Tax Increment Financing agreement.

Amending Development Agreement with Manistee Investment Partners

Manistee Investment Partners previously entered into a development agreement with the City of Manistee and the City of Manistee Brownfield Redevelopment Authority. Exhibit A to the agreement describes the owner (private) development. The attachment lists “Two (2) commercial storefront spaces” as a component of the project. The developer would like to eliminate this component and make the space attached garages instead. The developer is taking steps with both the State of Michigan and the City of Manistee to amend its CRP grant agreement and zoning approvals, respectively, to allow these changes. The developer would like the City of Manistee Brownfield Authority to also approve this modification.

At this time the City of Manistee Brownfield Redevelopment Authority could take action to amend the Development Agreement with Manistee Investments Partners by striking the provision in attachment A for “Two (2) commercial storefront spaces”; contingent upon receipt of all necessary approvals from the State of Michigan, and City of Manistee; and further take action to authorize the brownfield administrator to execute any needed documents..

Potential Future Projects

Staff will update the Brownfield Redevelopment Authority on potential future projects.

Music Vault, 346 & 348 River Street

Former MAPS vocational building

Project Updates

Staff will update the Brownfield Redevelopment Authority on the status of current projects.

Joslin Cove

VIII OLD BUSINESS

IX PUBLIC COMMENTS AND COMMUNICATIONS

At this time the Chair will ask if there are any public comments.

X CORRESPONDENCE

At this time the Chair will ask if any correspondence has been received to be read into the record.

XI STAFF REPORTS

At this time the Chair will ask Staff for their report.

XII MEMBERS DISCUSSION

At this time the Chair will ask members of the Brownfield Redevelopment Authority if they have any items they want to discuss.

XIII ADJOURNMENT



MEMORANDUM

Planning & Zoning
231.398.2805
Fax 231.723-1546
www.manisteemi.gov

TO: Brownfield Redevelopment Authority Directors

FROM: Denise Blakeslee, Planning & Zoning Administrator

DATE: June 1, 2017

RE: June 6, 2017 Meeting

The next meeting of the Brownfield Redevelopment Authority Meeting will be on Tuesday, June 6, 2017. A copy of the meeting agenda and attachments are enclosed for your review.

If you are to attend the meeting please call me at 398.2805.

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

January 3, 2017

A meeting of the Manistee City Brownfield Redevelopment Authority was held on January 3, 2017 at 2:00 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 2:04 pm by Chair Clinton McKinven-Copus

ROLL CALL

Members Present: Steve Brower, Meagan Kempf, Marlene McBride, Clinton McKinven-Copus,

Members Absent: Donald Kuk (excused), Jeffrey Stege (excused), Vacancy

Others: T. Eftaxiadis (BRA Consultant), Ed Bradford (BRA Administrator), and Denise Blakeslee (Planning & Zoning Administrator)

APPROVAL OF AGENDA

Motion by Steve Brower, seconded by Meagan Kempf that the agenda be approved as prepared.

With a Voice Vote this motion passed unanimously

APPROVAL OF MINUTES

Motion by Steve Brower, seconded by Marlene McBride that the minutes of the August 2, 2016 Brownfield Redevelopment Authority Meeting be approved as prepared.

With a Voice Vote this motion passed unanimously

PUBLIC HEARING

None

FINANCIAL REPORTS

Approval of Invoices

VENDOR NAME	DATE	INVOICE NUMBER	INVOICE AMOUNT	SERVICE DESCRIPTION
Eftaxiadis Consulting Inc.	8/1/16	CMBRA-1607	2,613.75	Consulting, Brownfield Service
Eftaxiadis Consulting Inc.	9/8/16	CMBRA-1608	318.75	BRA/TIF Mgmt/Bookmark Red
Eftaxiadis Consulting Inc.	10/10/16	CMBRA-1609	361.25	CMBRA Tech Ser/Bookmark
TOTAL:			\$3,293.75	

Members reviewed the summary of paid invoices.

MOTION by Meagan Kempf, seconded by Marlene McBride to approve previously paid invoices.

With a Voice Vote this motion passed unanimously

BRA Financing

Finance Director Ed Bradford reviewed the Balance Sheet and Revenue/Expenditure Report with the Directors (attached).

MOTION by Marlene McBride, seconded by Meagan Kempf to approve the Balance Sheet and Revenue/Expenditure Report as submitted.

With a Voice Vote this motion passed unanimously

NEW BUSINESS

Review/Approval of the TIF Implementation Plans – “Private Component” South Washington Area Redevelopment Project

A TIF Implementation Plan for the “private component” of the South Washington Area Redevelopment Project (River Parc and North Channel properties) as required under the Development and Reimbursement Agreement between the Brownfield Redevelopment Authority, City of Manistee and Manistee Investment Partners LLC.

T. Eftaxiadis, Brownfield Consultant and Ed Bradford, Director reviewed the TIF Implementation Plan with the Directors and answered questions. This approval is required under the Development Agreement; it may take a couple of years to determine final costs; depending on final costs an amendment to the Brownfield Plan and Act 381 Work Plan may be needed; documents will be updated to clarify if the plan is for the private or public components.

MOTION By Meagan Kempf, seconded by Steve Brower that the Brownfield Redevelopment Authority approves the TIF Implementation Plan for the “private component” of South Washington Area Redevelopment Project.

With a Voice Vote this motion passed unanimously

Review/Approval of the TIF Implementation Plans – “Public Component” South Washington Area Redevelopment Project

A TIF Implementation Plan for the “public component” of the South Washington Area Redevelopment Project (River Parc and North Channel properties) as required under the Development and Reimbursement Agreement between the Brownfield Redevelopment Authority, City of Manistee and Manistee Investment Partners LLC.

T. Eftaxiadis, Brownfield Consultant and Ed Bradford, Director reviewed the TIF Implementation Plan with the Directors and answered questions.

MOTION by Steve Brower, seconded by Meagan Kempf that the Brownfield Redevelopment Authority approves the TIF Implementation Plan for the “public component” of the South Washington Area Redevelopment Project.

With a Voice Vote this motion passed unanimously

Election of Officers

At this time the meeting was turned over to Ed Bradford who asked for nominations for the Position of Chair.

Meagan Kempf nominated Clinton McKinven-Copus for the position of Chair

Nominations were asked for three times, there being no other nominations, nominations were closed.

With a unanimous voice vote, Clinton McKinven-Copus was elected Chair of the Brownfield Redevelopment Authority for 2017

Vice-Chair

Clinton McKinven-Copus asked for nominations for the Position of Vice-Chair.

Steve Brower nominated Don Kuk for the position of Vice-Chair

Nominations were asked for three times, there being no other nominations, nominations were closed.

With a unanimous voice vote, Don Kuk was elected Vice - Chair of the Brownfield Redevelopment Authority for 2017.

Secretary

Chair McKinven-Copus asked for nominations for the Position of Secretary.

Marlene McBride nominated Steve Brower for the position of Secretary

Nominations were asked for three times, there being no other nominations, nominations were closed.

With a unanimous voice vote, Steve Brower was elected Secretary of the Brownfield Redevelopment Authority for 2017.

Appointment of a Recording Secretary 2017

Once Elected the Secretary may appoint a Recording Secretary to handle the administrative functions of the office.

Steve Brower appointed Denise Blakeslee to act as the Recording Secretary for the Brownfield Redevelopment Authority for the year 2017.

By Law Review

According to the By-Laws of the City of Manistee Brownfield Redevelopment Authority shall annually review their By-Laws at their annual meeting in January.

Staff noted that the Brownfield Redevelopment Authority had not held quarterly meetings as required in the By-Laws and recommends that Section 2.7 Meeting be amended as follows:

2. 7 Meetings. Meetings of the Board may be called by or at the request of the Chairperson of the Board or any two Directors. The meetings of the Board shall be public, and the appropriate notice of such meetings shall be provided to the public. Meetings shall be held from time to time as scheduled by the Chair or Board to carry out the responsibilities of the Brownfield Authority ~~Regular meetings of the Brownfield Redevelopment Authority shall be held in each calendar quarter of each year. In no event shall there be less than four (4) meetings per year.~~ The Board shall hold an Annual Meeting in January of each year at which time officers of the Board shall be elected as provided in Article 3, Section 2.

MOTION By Meagan Kempf, seconded by Marlene McBride that Section 2.7 Meetings of the Brownfield Redevelopment Authority By Laws be amended by deleting language for quarterly meetings which reads "Regular meetings of the Brownfield Redevelopment Authority shall be held in each calendar quarter of each year. In no event shall there be less than four (4) meetings per year."

With a Voice Vote this motion passed unanimously

Oath of Office/Section 6 Conflict of Interest

Annually the Brownfield Redevelopment Authority members will take an Oath of Office and agree to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority.

Denise Blakeslee administered the Oath of Office and agreement to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority to Ed Bradford, Finance Director and Steve Brower, Meagan Kempf, Marlene McBride, and Clinton McKinven-Copus.

Project Update

T. Eftaxiadis spoke of the progress at Edgewater and extended an invitation to take the members on a tour.

OLD BUSINESS

Schedule Meeting dates for 2017

The Directors discussed the changes to Section 2.7 Meetings of the Brownfield Redevelopment Authority By Laws. Meeting dates will be scheduled using the proposed meeting schedule (first Tuesday of the month at 2 pm) as needed. Due to the Holiday they will schedule the January 2018 meeting for Tuesday, January 9, 2018.

PUBLIC COMMENTS AND COMMUNICATIONS

None

CORRESPONDENCE

None

STAFF REPORTS

None

MEMBERS DISCUSSION

None

ADJOURNMENT

Motion by Marlene McBride, seconded by Meagan Kempf that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 2:54 pm

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

Denise J. Blakeslee, Acting Secretary

BALANCE SHEET

Page: 1
12/16/2016
1:54 pm

City of Manistee

As of: 11/30/2016

Balances

Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO

Assets

001.000 Cash 15,855.48

Total Assets 15,855.48

Reserves/Balances

390.000 Fund Balance 16,915.28

398.000 Change in Fund Balance -1,059.80

Total Reserves/Balances 15,855.48

Total Liabilities & Balances 15,855.48



REVENUE/EXPENDITURE REPORT

City of Manistee
For the Period: 7/1/2016 to 11/30/2016

Page: 1
12/16/2016
1:53 pm

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	%Bud
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO							
Revenues							
Dept: 000							
402.000 Real & Personal Property Tax							
379749 09/16/2016 CR Rcd From: OPERATING ACCOUNT	Ref ID:	RE	37.45	Drawer:EFT	Type:TXDIS	1169	
Real & Personal Property Tax	0.00	0.00	37.45	0.00	0.00	-37.45	0.0
Dept: 000	0.00	0.00	37.45	0.00	0.00	-37.45	0.0
Revenues	0.00	0.00	37.45	0.00	0.00	-37.45	0.0
Expenditures							
Dept: 000							
728.000 SUPPLIES - Operating							
376529 07/19/2016 AP JACKPINE BUSINESS CENTERS	Insert		13.50	INV#	404500-0	88726	
SUPPLIES - Operating	0.00	0.00	13.50	0.00	0.00	-13.50	0.0
801.000 Professional Services							
377766 07/01/2016 RE 2016 Accrued Payables	REVERSED		-2,210.00				
377970 08/01/2016 AP EFTAXIADIS CONSULTING LLC	Consulting, Brownfield Service		2,613.75	INV#	CMBRA-1607	89051	
379905 09/08/2016 AP EFTAXIADIS CONSULTING LLC	BRA/TIF Mgmt/Bookmart Red		318.75	INV#	CMBRA-1608	89648	
382571 10/10/2016 AP EFTAXIADIS CONSULTING LLC	CMBRA Tech Serv/Bookmart		361.25	INV#	CMBRA-1609	90301	
Professional Services	0.00	0.00	1,083.75	0.00	0.00	-1,083.75	0.0
Dept: 000	0.00	0.00	1,097.25	0.00	0.00	-1,097.25	0.0
Expenditures	0.00	0.00	1,097.25	0.00	0.00	-1,097.25	0.0

BALANCE SHEET

City of Manistee

As of: 5/31/2017

Balances

Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO

Assets

001.000 Cash

7,019.19

040.000 AR - Invoices

9,140.09

Total Assets

16,159.28

Reserves/Balances

390.000 Fund Balance

16,915.28

398.000 Change in Fund Balance

-756.00

Total Reserves/Balances

16,159.28

Total Liabilities & Balances

16,159.28

REVENUE/EXPENDITURE REPORT

City of Manistee
For the Period: 7/1/2016 to 5/31/2017

Page: 1
6/1/2017
9:22 am

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO							
Revenues							
Dept: 000							
402.000 Real & Personal Property Tax							
379749 09/16/2016 CR Ref ID:	RE	Drawer:EFT Type:TXDIS	37.45	Wrapup-Receipt Number		1169	
387425 01/27/2017 CR Ref ID:	SU	Drawer:EFT Type:TXDIS	222.44	Wrapup-Receipt Number		1272	
387424 01/27/2017 CR Ref ID:	WI	Drawer:EFT Type:TXDIS	59.20	Wrapup-Receipt Number		1272	
391256 03/30/2017 CR Ref ID:	BR	Drawer:EFT Type:TXDIS	22.16	Wrapup-Receipt Number		1335	
Real & Personal Property Tax	0.00	0.00	341.25	0.00	0.00	-341.25	0.0
676.000 Reimbursement							
394111 05/15/2017 AR		Invoice #:00002520	9,140.09	Wrapup Invoices - Reference #		2540	
Reimbursement	0.00	0.00	9,140.09	9,140.09	0.00	-9,140.09	0.0
Dept: 000	0.00	0.00	9,481.34	9,140.09	0.00	-9,481.34	0.0
Revenues							
	0.00	0.00	9,481.34	9,140.09	0.00	-9,481.34	0.0
Expenditures							
Dept: 000							
728.000 SUPPLIES - Operating							
376529 07/19/2016 AP Insert		INV#: 404500-0	13.50	AP REF# (VND#: JACKPINE B)		88726	
SUPPLIES - Operating	0.00	0.00	13.50	0.00	0.00	-13.50	0.0
801.000 Professional Services							
377766 07/01/2016 RE REVERSED			-2,210.00				
377970 08/01/2016 AP Consulting, Brownfield Service		INV#: CMBRA-1607	2,613.75	AP REF# (VND#: EFTAXIADIS)		89051	
379905 09/08/2016 AP BRA/TIF Mgmt/Bookmart Red		INV#: CMBRA-1608	318.75	AP REF# (VND#: EFTAXIADIS)		89648	
382571 10/10/2016 AP CMBRA Tech Serv/Bookmart		INV#: CMBRA-1609	361.25	AP REF# (VND#: EFTAXIADIS)		90301	
Professional Services	0.00	0.00	1,083.75	0.00	0.00	-1,083.75	0.0
Dept: 000	0.00	0.00	1,097.25	0.00	0.00	-1,097.25	0.0
Dept: 691 MDEQ Loan							
990.000 American Materials MDEQ Loan							
394087 05/31/2017 AP Brownfield Redevelopment Loan		INV#: PR #431839-00 - #4	9,140.09	AP REF# (VND#: STATE MDEQ)		93094	
American Materials MDEQ Loan	0.00	0.00	9,140.09	9,140.09	0.00	-9,140.09	0.0
MDEQ Loan	0.00	0.00	9,140.09	9,140.09	0.00	-9,140.09	0.0
Expenditures							
	0.00	0.00	10,237.34	9,140.09	0.00	-10,237.34	0.0
Net Effect for BROWNFIELD REDEVELOPMENT AUTHO							
Change in Fund Balance:	0.00	0.00	-756.00	0.00	0.00	756.00	

ASSIGNMENT OF TAX INCREMENT FINANCING

THIS ASSIGNMENT (hereafter “Agreement”) is entered into as of May 19, 2017, among the City of Manistee, Brownfield Redevelopment Authority (CMBRA), a statutory authority created by the City of Manistee, Michigan (the “City”) pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), with offices at 70 Maple Street, Manistee, MI 49660, North Channel Investors, LLC a Michigan limited liability company with offices at 300 Washington Ave., Ste. 100, Grand Haven, MI 49417 (“Assignor”) and Shelby State Bank, a Michigan Banking Corporation with offices at 242 N. Michigan Ave., Shelby, MI 49455 (“Assignee”).

RECITALS

- A. Assignor owns or leases, or expects to own or lease, some or all of the property located in Manistee County, Michigan (the “Property”) as described on the Exhibit A attached hereto.
- B. Assignor intends to construct a mixed use building, which will include commercial lease space and 14 residential units on the Property (the “Project”). The CMBRA has agreed to reimburse Assignor for all qualified private and public facility expenses related to the redevelopment of the properties identified in Exhibit A pursuant to a Development Agreement (“Development Agreement”) between the Assignor and the CMBRA dated February 16, 2016, which calls for payment of certain Project Tax Increment Revenues (as defined in the Development Agreement) (hereafter “TIR”) to Assignor.
- C. Assignee anticipates loaning certain funds to Assignor related to the Project, subject to final lending commitment being provided by Assignee and approval by Assignee of any lending and lending terms. Assignor and Assignee anticipate that the loan funds will be used for, among other things, the eligible private and public facility expenses that will be reimbursed to Assignor with TIR pursuant to the Development Agreement and the parties desire to secure repayment of that portion of the loans with this Assignment. It is anticipated that any such Assignee lending will include in part grant dollars from the Michigan Strategic Fund pursuant to the Community Development Grant Agreement, with the Michigan Strategic Fund and/or State of Michigan providing Assignee with the TIF loan funds due Assignor which Assignee would then loan to Assignor (“TIF Loan”) as part of a broader lending package, including a construction loan for the Project (“Project Loan”) again subject to final lending commitment being provided by Assignee and approval by Assignee of any lending and lending terms. As a part of any such lending package, the parties to this Agreement desire to assign all TIR due Assignor, and Assignor’s right to receive such TIR, to Assignee, subject to the terms and conditions of the Development Agreement. TIR received would be used by Assignee first for repayment of the TIF Loan in accordance with its terms and, thereafter, applying any remainder (if any) to the Project Loan. The Assignor and Assignee intend to use proceeds from the TIF loan and Project Loan to fund the private and public facility expenses that will be reimbursed to assignor with TIR pursuant to the Development Agreement.

- D. The parties desire that Assignor assign to Assignee the full amount of the TIR capture benefit Assignor will be eligible for under the Development Agreement according to the terms and conditions of this Agreement.

AGREEMENT

Accordingly, the parties agree as follows:

1. **TIR Assignment.** Assignor hereby assigns to Assignee its right (both current and future) to receive reimbursement of the cost of any eligible private and public facility expenses it is entitled to receive, and including all TIR to which Assignor is or will become entitled to pursuant to the Development Agreement, subject to the terms and conditions of the Development Agreement. The TIR assigned under this agreement is to be used by Assignee first for repayment of the TIF Loan, applying TIR receipts in accordance with the TIF Loan terms and, thereafter, applying any remainder (if any) to the Project Loan. The Assignor and Assignee agree that the TIF Loan and Project Loan will be used to fund the eligible private and public facility expenses that will be reimbursed to Assignor with TIR pursuant to the Development Agreement.

2. **Payments to Assignee.** The CMBRA agrees to make TIR payments directly to Assignee pursuant to the terms of this Agreement and of any specific payment or wire instructions which Assignee provides, subject to the terms and conditions of the Development Agreement.

3. **Liability and Obligations.** Nothing contained herein shall relieve Assignor of any obligations or liability under the Development Agreement including any which have arisen before the date hereof, and Assignor shall indemnify and hold Assignee harmless from and against such obligations or liability. Assignee shall, in no event, be obligated to perform any actions or incur any obligations or liabilities whatsoever, under the Development Agreement or otherwise, until such time as Assignee elects, if at all, to undertake such obligations or liabilities by written notice to Assignor and the CMBRA.

4. **Covenants.**

(A) Assignor shall faithfully abide by, perform and discharge each and every term, condition, obligation, covenant and agreement, which Assignor is now, or hereafter becomes, liable to observe or perform under the Development Agreement; give prompt written notice to Assignee of any notice of default received by Assignor with respect to any default of Assignor under the Development Agreement, together with an accurate, complete copy of any such notice; at the sole cost and expense of Assignor, enforce or secure the performance of each and every term, obligation, covenant, condition and agreement to be performed by other parties under the Development Agreement; and provide to Assignee an accurate, complete copy of any notice of default issued by Assignor with respect to the Development Agreement, if and when so sent by Assignor.

- (B) Assignor shall not modify, amend, extend, renew or in any way alter the terms of Development Agreement; nor waive, excuse, condone or in any manner release or discharge any party thereunder, of or from any obligation, covenant, condition, or agreement by said person to be performed thereunder; nor terminate the term thereof nor accept a surrender thereof, without the prior written consent of Assignee.
- (C) Assignor will not execute, or agree to, any assignment of the Development Agreement or of any of the TIR subsequent to the date hereof.

5. **Assignor Warranties and Representations.** Assignor warrants and represents to Assignee that: (1) the TIR revenue being assigned to Assignee, or any part thereof, is not currently subject to any assignment, pledge, mortgage or encumbrance except in favor of Assignee, and will not be subject to any assignment, pledge, mortgage or encumbrance hereafter, except in favor of Assignee, for so long as Assignor is indebted to Assignee including pursuant to the TIF Loan; (2) the Development Agreement is in full force and effect and as of the date hereof no uncured defaults exist with respect to the Development Agreement; and (3) all covenants, conditions and agreements have been performed as required in the Development Agreement, except those not due to be performed until the date of this Agreement.

6. **Consent to Assignment.** All parties hereto, including the CMBRA, do hereby consent to this Agreement and the assignment as called for herein.

7. **No Commitment.** This Agreement is not a commitment by Assignee to lend.

8. **Counterparts.** This Agreement may be executed in counterparts, each of which will be an original, and all of which, taken together, will constitute a single instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic transmission will be deemed to be their original signatures for all purposes.

9. **Notices.** All notices shall be given by registered or certified mail addressed to the parties at their respective addresses shown above. Any party may change the address by written notice sent by registered or certified mail to the other parties.

10. **Assignment.** The interest of any party under this Agreement shall not be assignable without the other parties' written consent, which shall not be unreasonably withheld.

11. **Non-waiver.** No delay or failure by any party to exercise any right under this Agreement, **and** no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

13. **Binding Effect.** The provisions of this Agreement shall be binding upon and inure to the benefit of all of the parties and their respective heirs, legal representatives, office holders, successors and assigns.

14. **Commercial Code.** This Agreement constitutes the granting by Assignor of a security interest under the Uniform Commercial Code as adopted in the State of Michigan and Assignor hereby authorizes Assignee to file Uniform Commercial Code financing statements and other documents perfecting or evidencing such security interest, or otherwise deemed necessary by Assignee.

[The remainder of this page is blank]

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

THE CITY OF MANISTEE BROWNFIELD REDEVELOPMENT AUTHORITY

By: _____
Its: Clinton McKinven-Copus, Chair

By: _____
Its: Edward Bradford, Administrator

“CMBRA”

NORTH CHANNEL INVESTORS, LLC

By: _____
David L. Tencate, Member

By: _____
John D. Groothuis, Member

By: _____
Thrasos Eftaxiadis, Member

By: _____

“Assignor”

SHELBY STATE BANK

By: _____
Its: Robert M. Fisher, II, Sr. V.P. & Sr. Lender

“Assignee”

EXHIBIT A

Legal Description

City of Manistee, County of Manistee, and State of Michigan, is described as follows:

Part of Government Lot One (1), Section Eleven (11), Township Twenty-one (21) North, Range Seventeen (17) West, commencing at the Northeast corner of said Section; thence South 89 degrees 54 minutes 09 seconds West, 33.00 feet along the North line of said Section to the West right-of-way of Washington Street; thence along said West right-of-way, South 00 degrees 00 minutes 00 seconds West, 87.00 feet to the Point of Beginning; thence continuing South 00 degrees 00 minutes 00 seconds West, 125.62 feet; thence South 8 degrees 54 minutes 09 seconds West, 137.00 feet; thence North 00 degrees 00 minutes 00 seconds East 125.62 feet, parallel with Short Street; thence North 89 degrees 54 minutes 09 seconds East, 137.00 feet to the Point of Beginning.

51-61-211-100-02

AND

Part of Government Lot One (1), Section Eleven (11), Township Twenty-one (21) North, Range Seventeen (17) West, described as: Commencing 33 feet South and 33 feet West of the Northeast corner, thereof; thence West 75 feet; thence South 22.54 feet; thence East 75 feet; thence North 22.79 feet to the Point of Beginning.

51-61-211-100-01

AND

Part of Government Lot One (1) of Section Eleven (11), Township Twenty-one (21) North, Range Seventeen (17) West, described as: Commencing 33 feet West and 55.79 feet South of the Northeast corner thereof; thence West 75 feet; thence North 22.54 feet; thence West 82 feet; thence South 230 feet; thence West 60 feet; thence South to the North line of the Manistee River; thence East along the North line of said river to a point 20 feet East of the East line of Short Street extended to the river; thence North to a point 170 feet West and 87 feet South of the Northeast corner of Government Lot 1; thence East 137 feet; thence North 31.21 feet to the Point of Beginning.

51-51-211-100-03

EXHIBIT A

SOUTH WASHINGTON AREA REDEVELOPMENT PROJECT

OWNER (PRIVATE) DEVELOPMENT

The Tax Increment Financing (“TIF”) reimbursable activities to be performed by the Owner, will be implemented in two Phases as follows:

- Phase I of the project involves the redevelopment of the former River Parc Place building and vacant land located north, west and south of the building (80 Washington Street) into a complex consisting of:
 - Eighteen to twenty (18-20) residential condominium units
 - ~~Two (2) commercial storefront spaces.~~
 - Two to four (2-4) boat docks.
 - At least 18 surface parking spaces.
 - Four (4) attached garages.
 - A Short Street retaining structure, and
 - Site improvements.
 - The redevelopment of this building involves approximately 22,000 square feet.

- Phase 2 of the project involves the historic rehabilitation and redevelopment of the former North Channel Outlet building and surrounding vacant parcels of land located north, northwest and west of the building into the following:
 - An 8,000 square feet commercial space located on the first floor of the building.
 - Fourteen (14) affordable and market rate residential rental units.
 - Site improvements.
 - At least ten (10) parking spaces.
 - The redevelopment of this building involves approximately 21,000 square feet.