



## CITY OF FLINT

RESOLUTION NO.: 210202

PRESENTED: APR 26 2021

ADOPTED: \_\_\_\_\_

**Resolution Authorizing Change Order #1 to the Contract with Rowe, Inc. for Comprehensive Zoning Services to Extend the Contract until October 31, 2021 and add an additional \$60,000**

**BY THE CITY ADMINISTRATOR:**

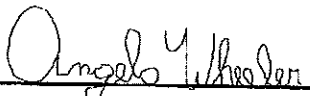
The City of Flint, through its Department of Planning and Development, Planning & Zoning Division, released an RFP in March 2020 inviting proposals from qualified firms to provide planning/zoning services to the City, including oversight and administration of the medical and recreational marijuana business licensing process. Applicants were required to demonstrate knowledge and experience with respect to all aspects of planning/zoning services required by a municipal entity.

The City selected ROWE Inc as the most responsive applicant and entered into a contract with ROWE in the amount of \$60,000 for comprehensive zoning services. That contract expires April 30, 2021 and has been exhausted.

The City desires to extend this contract for an additional 6 months and add \$60,000 to continue the services.

**IT IS RESOLVED**, that City Officials are authorized to do all things necessary to extend the contract with Rowe Inc until October 31, 2021 and add \$60,000 to continue their provision of comprehensive zoning services with funds in the amount of \$60,000 to be made available from account #

**APPROVED AS TO FORM:**

  
Angela Wheeler, Chief Legal Officer

**ADMINISTRATION:**

  
Clyde Edwards, City Administrator

**APPROVED AS TO FINANCE**

  
Shelbi Frayer (Apr 23, 2021 15:36 EDT)  
Shelbi Frayer, Chief Financial Officer

**CITY COUNCIL:**

\_\_\_\_\_  
Kate Fields, Council President



## CITY OF FLINT

### REQUISITION STAFF REVIEW FORM

**TODAY'S DATE:** 4/21/21

**BID/PROPOSAL#** 20000569

**AGENDA ITEM TITLE:** Requisition to enter into a Change Order #1 contract with ROWE, Inc for comprehensive zoning services in the amount of \$60,000 for approximately 6 months.

**PREPARED BY** Suzanne Wilcox, Director, Department of Planning and Development

**VENDOR NAME:** Rowe, Inc.

**BACKGROUND/SUMMARY OF PROPOSED ACTION:**

The City of Flint, through its Department of Planning and Development, Planning & Zoning Division, released an RFP in March 2020 inviting proposals from qualified firms to provide planning/zoning services to the City, including oversight and administration of the medical and recreational marijuana business licensing process. Applicants were required to demonstrate knowledge and experience with respect to all aspects of planning/zoning services required by a municipal entity.

The City received 2 responses, one from ROWE, Inc, and one from Fusco, Shaffer, and Pappas. Staff reviewed and evaluated both proposals. Rowe's proposal was the lowest bid and also scored highest per the evaluation criteria and the City entered into a contract with ROWE in the amount of \$60,000 for comprehensive zoning services. That contract expires April 30, 2021 and has been exhausted. Services are needed to continue for an additional 6 months. This resolution extends the contract until October 31, 2021 and adds an additional \$60,000.

**FINANCIAL IMPLICATIONS:** Funding is available in the City's FY21 budget for these services.

**BUDGETED EXPENDITURE?** YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
P & D Medical Marijuana Compliance	Professional Services	101-371.220-801.000	N/A	\$60,000.00
<b>FY19/20 GRAND TOTAL</b>				<b>\$60,000.00</b>

**PRE-ENCUMBERED?** YES ☒ NO ☐ **REQUISITION NO:**

**ACCOUNTING APPROVAL:** Mary Jarvis **Date:** 04/23/2021



## CITY OF FLINT

**WILL YOUR DEPARTMENT NEED A CONTRACT?** YES ☒ NO ☐

*(If yes, please indicate how many years for the contract)* YEARS

**WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal) n/a**

**BUDGET YEAR 1**

**BUDGET YEAR 2**

**BUDGET YEAR 3**

**OTHER IMPLICATIONS (i.e., collective bargaining):** This is a short-term contract. Services are needed while the City recruits for a full-time Zoning Coordinator

**STAFF RECOMMENDATION: (PLEASE SELECT):** ☒ **APPROVED** ☐ **NOT APPROVED**

**DEPARTMENT HEAD SIGNATURE:**  Director, DPD  
(PLEASE TYPE NAME, TITLE)

Approved as to budget

  
Jennifer Ryan (Apr 23, 2021 15:37 EDT)

**RESOLUTION REVIEW FORM**

FROM: P&D - Zoning Division  
Department/Author

DATE  
NO.

RESOLUTION NAME: **Resolution to enter into Change Order #1 to the contract w  
zoning services in the amount of \$60,000 for approximate**

Date in:

**1. RESOLUTION REVIEW - PLANNING AND DEVELOPMENT DIRE**

By: Suzanne Wilcox   
Planning and Development Director

DATE: 4/21/21  
(Date)

Date in:

**2. RESOLUTION REVIEW - LEGAL**

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY:  
The Legal Department has reviewed the RESOLUTION as to Form on  
this form approves as to FORM ONLY.

(Date)

By: Angela Wheeler  
Chief Legal Officer

DATE: \_\_\_\_\_

April 21, 2021

Law Office Login #

with Rowe Inc for comprehensive  
y 6 months

\*\*\*\*\*

ECTOR

, and by signing



## CITY OF FLINT

RESOLUTION NO.: 210203

PRESENTED: APR 26 2021

ADOPTED: \_\_\_\_\_

### RESOLUTION AUTHORIZING THE SALE OF CITY OWNED LAND 3420 ST JOHN ST TO EVERGROW, LLC

#### BY THE CITY ADMINISTRATOR:

The City of Flint has acquired title to certain real estate commonly known as 3420 St. John St., Parcel ID #47-31-487-015. The property contains a structure, formerly the Flint Police Training Academy. It is located in Ward 3, and is situated between James P. Cole and Industrial Avenue.

Evergrow, LLC has offered \$500,000 to purchase the property commonly known as 3420 St. John St., Flint, MI 48505, Parcel ID #47-31-487-015 and legally described as LOTS 425 THRU 443 AS ORIGINALLY PLATTED; LOT 444 EXC ELY 10 FT OF NLY 75 FT; LOT 445 EXC NLY 75 FT, GENERAL MOTORS PARK; ALSO A CONTIG UNPLATTED PARCEL OF LAND DESC AS FOLLS: THAT PART OF N 8 RDS OF E 1/2 OF NE 1/4 OF SEC 6, T7N, R7E LYING WLY OF WLY R.O.W. LINE OF JAMES P. COLE BLVD AS DESCRIBED IN DEED LIBER 2183, PAGES 869-873, GENESEE COUNTY RECORDS. EXC THAT PART OF VACATED ST JOHN ST.

The city's interest in the aforementioned property will be conveyed by a Warranty Deed and sold in AS IS condition. Revenue realized from the sale of this real property will be placed in Revenue Account #101-371.209-673.100. Evergrow, LLC shall pay the recording fees to register the conveyance documents at the Genesee County Register of Deeds.

**IT IS RESOLVED**, that the appropriate City Officials are authorized to do all things necessary to enter into and complete the sale of the property commonly known as 3420 St. John St, Flint Michigan, 48505, Parcel ID # 47-31-487-015 and legally described as LOTS 425 THRU 443 AS ORIGINALLY PLATTED; LOT 444 EXC ELY 10 FT OF NLY 75 FT; LOT 445 EXC NLY 75 FT, GENERAL MOTORS PARK; ALSO A CONTIG UNPLATTED PARCEL OF LAND DESC AS FOLLS: THAT PART OF N 8 RDS OF E 1/2 OF NE 1/4 OF SEC 6, T7N, R7E LYING WLY OF WLY R.O.W. LINE OF JAMES P. COLE BLVD AS DESCRIBED IN DEED LIBER 2183, PAGES 869-873, GENESEE COUNTY RECORDS. EXC THAT PART OF VACATED ST JOHN ST. for a total cost of \$500,000.00 and transfer the property to Evergrow, LLC, in an AS IS condition according to the terms agreed upon in the Purchase Agreement by means of conveyance of a Warranty Deed. Revenue realized from the sale of this real property will be placed in Revenue Account #101-371.209-673.100.

**FURTHER RESOLVED**, that the City Clerk shall, within thirty (30) days of this action, record a certified copy of this resolution with the Register of Deeds for Genesee County and forward a certified



## CITY OF FLINT

copy of said resolution to the State Treasurer.

### APPROVED AS TO FORM:

Angela Wheeler  
Angela Wheeler, Chief Legal Officer

### ADMINISTRATION:

Clyde Edwards  
Clyde Edwards, City Administrator

### APPROVED AS TO FINANCE

Shelbi Frayer  
Shelbi Frayer (Apr 26, 2021 10:49 EDT)  
Shelbi Frayer, Chief Financial Officer

### ADMINISTRATION:

Kate Fields  
Kate Fields, City Council President

Signature: Jennifer Ryan  
Jennifer Ryan (Apr 26 2021 10:25 EDT)  
Email: jryan@cityofflint.com



## CITY OF FLINT

### RESOLUTION STAFF REVIEW FORM

**TODAY'S DATE:** 4/23/21

**BID/PROPOSAL#** n/a

**AGENDA ITEM TITLE:** Resolution recommending disposition of real property owned by the City of Flint.

**PREPARED BY** Suzanne Wilcox, Director of Planning and Development

**VENDOR NAME:** n/a

**BACKGROUND/SUMMARY OF PROPOSED ACTION:**

The City of Flint has acquired title to certain real estate commonly known as 3420 St. John St., Parcel ID #47-31-487-015. The property contains a structure, formerly the Flint Police Training Academy.

Franko Sallaku, aka Evergrow, LLC, address 23450 Telegraph Rd., Southfield, MI requested to purchase 3420 St. John St., offered \$500,000, and provided a \$50,000 earnest money deposit. The property was listed on the City's website. The City received one other offer, significantly less, and desires to sell this property to Mr. Sallaku. Mr. Sallaku intends to renovate the building and operate a Marijuana establishment for the purpose of commercially growing marijuana as permitted under Section 10 of the Michigan Regulation and Taxation of Marihuana Act. That use is allowed at this location. The City of Flint desires to reduce the number of properties that are not on the tax rolls, and/or not in productive use. The City has executed a purchase agreement with Mr. Sallaku, and per the City's Purchasing Ordinance, City Council approval is required to sell the property.

Evergrow, LLC has agreed to purchase the properties commonly known as 3420 St. John St., Parcel ID #47-31-487-015, and legally described as:

LOTS 425 THRU 443 AS ORIGINALLY PLATTED; LOT 444 EXC ELY 10 FT OF NLY 75 FT; LOT 445 EXC NLY 75 FT, GENERAL MOTORS PARK; ALSO A CONTIG UNPLATTED PARCEL OF LAND DESC AS FOLLS: THAT PART OF N 8 RDS OF E 1/2 OF NE 1/4 OF SEC 6, T7N, R7E LYING WLY OF WLY R.O.W. LINE OF JAMES P. COLE BLVD AS DESCRIBED IN DEED LIBER 2183, PAGES 869-873, GENESEE COUNTY RECORDS. EXC THAT PART OF VACATED ST JOHN ST

The city's interest in the aforementioned property will be conveyed by a Warranty Deed and sold in AS IS condition. Revenue realized from the sale of this real property will be placed in Revenue Account #101-371.209-673.100. Evergrow, LLC shall pay the recording fees to register the conveyance documents at the Genesee County Register of Deeds.





## CITY OF FLINT

**FINANCIAL IMPLICATIONS:** The property will be removed from the City of Flint owned property list and returned to the tax rolls and/or productive use. Property will be sold for \$500,000.

**BUDGETED EXPENDITURE?** YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
Planning and Development	Sale of City Land	101-371.209-673.100	n/a	\$500,000
		<b>FY19/20 GRAND TOTAL</b>		<b>\$500,000</b>

**PRE-ENCUMBERED?** YES ☐ NO ☒ **REQUISITION NO:**

**ACCOUNTING APPROVAL:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**WILL YOUR DEPARTMENT NEED A CONTRACT?** YES ☐ NO ☒  
(If yes, please indicate how many years for the contract) YEARS

**WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)**

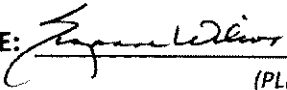
**BUDGET YEAR 1**

**BUDGET YEAR 2**

**BUDGET YEAR 3**

**OTHER IMPLICATIONS (i.e., collective bargaining):** none

**STAFF RECOMMENDATION: (PLEASE SELECT):** ☒ **APPROVED** ☐ **NOT APPROVED**

**DEPARTMENT HEAD SIGNATURE:**  Director, Dept of Planning and Development  
(PLEASE TYPE NAME, TITLE)

**RESOLUTION REVIEW FORM**

FROM: P&D, Planning Division  
Division

DATE  
NO.

April 16, 2021

Law Office Login #

**Resolution authorizing the sale of city owned land 3420 St. John St. to Evergrow, LLC**

RESOLUTION NAME:

Date in: 4/21/2021

**1. RESOLUTION REVIEW - P&D / Zoning Division**

The attached RESOLUTION is approved by the P&D Director. By signing, the Director approves this resolution to be processed for signatures.

By: Suzanne Wilcox  
Director, Planning and Development

DATE: 26-Apr  
(Date)

Date in:

**2. RESOLUTION REVIEW - LAW DEPARTMENT**

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY:

The Legal Department has reviewed the RESOLUTION as to Form on \_\_\_\_\_, and by signing  
this form approves as to its (Date)

By: Angela Wheeler  
Chief Legal Officer

DATE: \_\_\_\_\_

Date in:

**3. RESOLUTION REVIEW - FINANCE**

The attached RESOLUTION is submitted to the FINANCE Department for approval as to FINANCE COMPLIANCE:

The Finance Department reviewed this RESOLUTION, on JMR 04/26/2021 and by signing  
this form approves as to FINANCE COMPLIANCE. (Date)

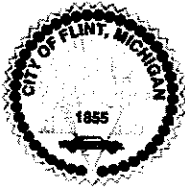
By: Shelbi Frayer

Shelbi Frayer  
Shelbi Frayer (Apr 26, 2021 10:49 EDT)

DATE: 04/26/2021

Chief Financial Officer

# CITY OF FLINT



RESOLUTION NO:

**210204**  
**MAY - 5 2021**

PRESENTED: \_\_\_\_\_

PRESENTED: \_\_\_\_\_

## RESOLUTION TO ROWE ENGINEERING FOR NORTHWEST TRANSMISSION MAIN RE-PERMITTING AND DESIGN – CHANGE ORDER 2

### BY THE CITY ADMINISTRATOR:

On May 26, 2020, Change Order #1 - Resolution #200216 was adopted by City Council to provide additional engineering services for the Northwest Transmission Main Re-Permitting and Design as requested by the Public Works and Utilities Department in the amount not to exceed \$104,360.00, and;


Rowe Engineering was the sole source for said services. Additional scope of work is needed for revision to drawings, specifications, and permit applications for Change Order #2.

Funding for said services will come from the following accounts for FY21 (07/01/20 – 06/30/21):

Name of Account	Account #	Grant #	Amount
Northwest Transmission	496-554.000-801.051	FEPA18WIIN-1	\$28,000.00
	<b>FY21 GRAND TOTAL</b>		<b>\$28,000.00</b>


**IT IS RESOLVED**, that the proper City Officials, are hereby authorized to enter into **CHANGE ORDER #2** with Rowe Engineering for additional scope of services for the Northwest Transmission Main Re-Permitting and Design in an amount not-to-exceed for **FY21 (07/01/20 – 06/30/21)**, \$28,000.00 and a revised contract amount of \$132,360.00.

### APPROVED AS TO FORM:

  
Angela Wheeler (Apr 27, 2021 08:08 EDT)

**Angela Wheeler, Chief Legal Officer**

### APPROVED AS TO FINANCE:

  
Shelbi Frayer (Apr 21, 2021 10:42 EDT)

**Shelbi Frayer, Chief Financial Officer**

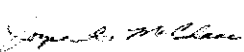
### FOR THE CITY OF FLINT:

  
Clyde Edwards, City Administrator

### APPROVED BY CITY COUNCIL:

  
Kate Fields, City Council President

### APPROVED AS TO PURCHASING:



**Joyce A. McClane, Purchasing Manager**



## CITY OF FLINT

### RESOLUTION STAFF REVIEW FORM

**TODAY'S DATE:** April 20, 2021

**BID/PROPOSAL#** Sole Source

**AGENDA ITEM TITLE:** Northwest Transmission Main Replacement Change Order #2

**PREPARED BY:** Yolanda Gray, DPW Accounting Supervisor

**VENDOR NAME:** Rowe Engineering

**BACKGROUND/SUMMARY OF PROPOSED ACTION:**

Rowe Engineering was awarded a contract as the sole source, to provide engineering services for the Northwest Transmission main re-permitting and redesign as needed in an amount not to exceed \$67,360. Since, moving forward with the design, Change Order #1 was required for additional scope of services at a cost not to exceed \$37,000 for total contract amount of \$104,360. The Department of Environment, Great Lakes, and Energy (EGLE), has requested revisions to drawings, specifications, and permit applications for Change Order #2 at a cost not to exceed \$28,000 for a total contract price of \$132,360.00. These revisions will allow this project to move forward with bidding and construction.

**FINANCIAL IMPLICATIONS:**

**BUDGETED EXPENDITURE?** YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
496	Northwest Transmission	554.000-801.051	FEPA18WIIN-1	28,000.00
		<b>FY20 GRAND TOTAL</b>		<b>\$28,000.00</b>

**PRE-ENCUMBERED?** YES ☒ NO ☐ **REQUISITION NO:** 210004481

**ACCOUNTING APPROVAL:** Yolanda Gray **Date:** 4.20.21

**WILL YOUR DEPARTMENT NEED A CONTRACT?** YES ☒ NO ☐  
(If yes, please indicate how many years for the contract) YEARS



## CITY OF FLINT

**WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)**

**BUDGET YEAR 1**

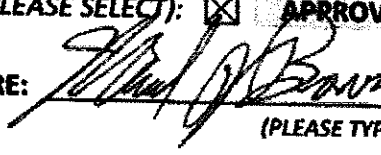
**BUDGET YEAR 2**

**BUDGET YEAR 3**

**OTHER IMPLICATIONS (i.e., collective bargaining):**

**STAFF RECOMMENDATION: (PLEASE SELECT):** ☒ **APPROVED** ☐ **NOT APPROVED**

**DEPARTMENT HEAD SIGNATURE:**

 **MICHAEL BROWN**  
(PLEASE TYPE NAME, TITLE) **DPW DIRECTOR**



## ROWE PROFESSIONAL SERVICES COMPANY

*Large Firm Resources. Personal Attention.™*

March 24, 2021

Mr. John Young  
City of Flint  
1011 S. Saginaw Street  
Flint, MI 48813

Re: Northwest Transmission Main Replacement PO #19-001489  
Final Plan / Permit Revisions

Dear Mr. Young:

As requested, ROWE Professional Services Company is submitting this request for additional engineering services associated with the above-referenced project. Based in our discussions and meetings, there are a number of items that need to be completed prior to this project receiving all the necessary permits and approvals to allow this project to move forward with bidding and construction. As you are aware, Michigan Department of Environment, Great Lakes, and Energy (EGLE), CSX Railroad, Genesee County Drain Commission, and the Michigan Department of Transportation (MDOT) all need to grant approval of this project and/or issue a permit.

The following is a list of items that need to be completed and/or changed:

- Revise drawings to remove the portion of the water main that was proposed to be replaced under I-475 and Dort Highway. This requested change will result in revisions to the drawings, quantities, traffic control plans, and MDOT permit. By eliminating the crossing of I-475 and Dort Highway, the city will not only save construction costs but also additional geotechnical services fees, as MDOT has recently been requiring a much more in-depth geotechnical report to work in their right-of-way. This change occurred during this project's design phase.
- Revise design drawings, specifications, and permit application to address EGLE's comments. As you were aware, EGLE provided a lengthy list of comments they requested be changed to the design. After our meeting with Mr. London from EGLE and yourself, we were able to significantly reduce the list of requested changes. Once the final agreed upon changes are made, a complete design package including an updated permit application will need to be resubmitted to EGLE for final approval of their permit.
- Once the changes noted above are completed, the documents will need to be submitted to the Genesee County Drain Commissioner for their review and issuance of a soil erosion and sedimentation control permit.
- Update the technical specifications/notes/details pay items to allow for the appropriately sized pressure class ductile iron pipe material as requested by Mr. Young.
- Back in the fall of 2019, ROWE submitted the documents to CSX Railroad for their review and issuance of a permit to cross their railway. It is our understanding that CSX is waiting for a permit fee to be paid by the city prior to finalizing their permit. The city has had a copy of this invoice from CSX since December 2019. We are hoping that the documents that received preliminary approval in December 2019 can still be approved once the fee is paid by the city.

Engineering | Surveying | Aerial Photography/Mapping | Landscape Architecture | Planning

Corporate: The ROWE Building, 540 S. Saginaw Street, Suite 200 • Flint, MI 48502 • O (810) 341-7500 • F (810) 341-7573

With Offices In: Farmington Hills, MI • Grayling, MI • Kentwood, MI • Lapeer, MI • Mt. Pleasant, MI • Myrtle Beach, SC

[www.rowepsc.com](http://www.rowepsc.com)

Mr. John Young  
March 24, 2021  
Page 2

All of these items noted above were not accounted for in our engineering fee. Therefore, we are requesting a change order to our PO in that amount to cover these costs in the amount of \$28,000.

If you concur with this request, please prepare the required documentation as indication of your authorization to proceed. If you have any questions or comments, please contact us at (810) 341-7500.

Sincerely,  
ROWE Professional Services Company

Jeffrey Markstrom, P.E.

Digitally signed by Jeffrey Markstrom, PE  
DN: cn=Jeffrey Markstrom, o=ROWE Professional Services  
Company, c=US, email=Jeffrey.Markstrom@rowe.com  
Date: 2021.03.24 16:03:41 -0400

Jeffrey B. Markstrom, P.E.  
Design Services Division Manager

r: projects\19c0237 docs\proposal and contract\final plans engineering services proposal.docx



200216

RESOLUTION NO: \_\_\_\_\_

PRESENTED: 5-26-20PRESENTED: 5-26-2020

BY THE CITY ADMINISTRATOR:

**RESOLUTION TO ROWE ENGINEERING FOR NORTHWEST TRANSMISSION  
MAIN RE-PERMITTING AND DESIGN - CHANGE ORDER 1**

In July 2019, Rowe Engineering was awarded to provide engineering services for the Northwest Transmission Main Re-Permitting and Design as requested by the Public Works and Utilities Department in the amount not to exceed \$67,360.00, and;

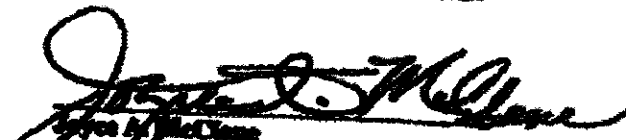
Rowe Engineering was the sole source for said services. Additional scope of services was needed: change in size of water main, new connection points, and new survey data and plans.

Funding for said services are budgeted and will come from the following account:


Dept.	Name of Account	Account #	Grant #	Amount
496	Northwest Transmission	\$54,000-\$81,851	FEFA18WHN-1	\$37,800.00

IT IS RESOLVED, that the proper City Officials, are hereby authorized to enter into CHANGE ORDER #1 with Rowe Engineering for additional scope of work for the Northwest Transmission Main Re-Permitting and Design in an amount not-to-exceed \$37,800.00 and a revised contract amount of \$104,360.00.

APPROVED AS TO PURCHASING:

  
Joyce A. McClean  
Purchasing Manager

APPROVED AS TO FINANCE:

  
Amanda Trujillo, Esq., 14, 2000 36 57 EC1  
Amanda Trujillo  
Acting Chief Financial Officer

APPROVED AS TO FORM:

  
Angela Wheeler, Chief Legal Officer

  
Clyde Edwards, City Administrator

CITY COUNCIL

  
Monica Gallegos, Council President

date





RESOLUTION NO.: 210219.1

PRESENTED: MAY - 5 2021

ADOPTED: \_\_\_\_\_

**RESOLUTION TO MEDIATE SETTLEMENT OF POHLY V. CITY OF FLINT  
#19-112528-CZ LITIGATION BY AUTHORIZING COUNCIL AND ADMINISTRATIVE  
REPRESENTATIVES TO APPROVE SETTLEMENT DURING MEDIATION**

**BY THE CITY ADMINISTRATOR:**

**WHEREAS** an Executive Session was held on May 5, 2021; and

**WHEREAS** on April 8, 2019, Plaintiff filed a complaint against the City for alleged Open Meeting Act violations, violations of the Freedom of Information Act and failure to implement and breach of the Flint City Charter.

**WHEREAS**, the parties have participated in meaningful discovery to determine the veracity of the allegations and reach a full, complete, fair, and meaningful resolution of the aforementioned claims; and

**WHEREAS**, the parties are extremely close to reaching a final resolution of the claims. However, the parties need a mechanism to bring this matter to a full and final conclusion that will be in the best interest of the City of Flint and Plaintiff. The purpose of the settlement is to effect full Charter compliance according to a schedule as determined by the City and Plaintiff; and

**WHEREAS** the City and Plaintiff have worked closely with the chart compliance officer, the Honorable Archie L. Hayman. This has been beneficial to the process. However, to finalize, the parties both need party representatives available at mediation sessions to reach a full and final settlement.

**WHEREAS** Judge Hayman has requested, and the parties agree that party representatives, one from Council ( Councilman Eric Mays) and one from Administration and one from Plaintiff be allowed to bind the City in the event that an agreement is reached and to avoid a trial that is scheduled for a date certain, 90 days from April 8, 2021; and

**WHEREAS**, the City of Flint would admit to no liability, the Law Department recommends settlement of these matters be reached by the party representatives through mediation that would, if resolution be reached, be binding upon the City; and

**WHEREAS** City Administrator Clyde Edwards recommends settlement subject to those same conditions;



**THEREFORE, BE IT RESOLVED** that the Flint City Council approves and consents to the City settling Pohly v. City of Flint, #19-112528-CZ, through the mediation process authorizing one

City Council representative and one City Administration representative to bind the parties in the event that a settlement is reaching through the mediation process.

**APPROVED AS TO FORM:**

**APPROVED AS TO FINANCE:**

\_\_\_\_\_  
Angela Wheeler, Chief Legal Officer

\_\_\_\_\_  
Shelbi Frayer, Chief Financial Officer

**FOR THE CITY OF FLINT:**

**APPROVED BY CITY COUNCIL:**

\_\_\_\_\_  
Clyde Edwards, City Administrator

\_\_\_\_\_  
Kate Fields, City Council President



## CITY OF FLINT

### RESOLUTION STAFF REVIEW FORM

**TODAY'S DATE:** 04/28/2021

**BID/PROPOSAL#** NA

**AGENDA ITEM TITLE:** RESOLUTION TO MEDIATE SETTLEMENT OF POHLY V. CITY OF FLINT  
#19-112528-CZ LITIGATION BY AUTHORIZING COUNCIL AND ADMINISTRATIVE REPRESENTATIVES TO  
APPROVE SETTLEMENT DURING MEDIATION,

**PREPARED BY** Vicky Cooper, *Legal Department*

**VENDOR NAME:** N/A

**BACKGROUND/SUMMARY OF PROPOSED ACTION:**

On April 8, 2019, Plaintiff filed a complaint against the City for alleged Open Meeting Act violations, violations of the Freedom of Information Act and failure to implement and breach of the Flint City Charter. The parties have participated in meaningful discovery to determine the veracity of the allegations and reach a full, complete, fair, and meaningful resolution of the aforementioned claims; and the parties are extremely close to reaching a final resolution of the claims. However, the parties need a mechanism to bring this matter to a full and final conclusion that will be in the best interest of the City of Flint and Plaintiff. The purpose of the settlement is to effect full Charter compliance according to a schedule as determined by the City and Plaintiff.

The City and Plaintiff have worked closely with the chart compliance officer, the Honorable Archie L. Hayman. This has been beneficial to the process. However, to finalize, the parties both need party representatives available at mediation sessions to reach a full and final settlement. Judge Hayman has requested, and the parties agree that party representatives, one from Council and one from Administration and one from Plaintiff be allowed to bind the City in the event that an agreement is reached and to avoid a trial that is scheduled for a date certain, 90 days from April 8, 2021.

The City of Flint would admit to no liability, the Law Department recommends settlement of these matters be reached by the party representatives through mediation that would, if resolution be reached, be binding upon the City.

**FINANCIAL IMPLICATIONS:**

**BUDGETED EXPENDITURE?** YES ☒ NO ☐ IF NO, PLEASE EXPLAIN:

Dept.	Name of Account	Account Number	Grant Code	Amount
-------	-----------------	----------------	------------	--------



210158

ORDINANCE NO. \_\_\_\_\_

An ordinance to amend the Code of the City of Flint by amending Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons.

IT IS HEREBY ORDAINED BY PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the provisions of Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons, shall be amended by adding subsection (GG), which shall read in its entirety as follows:

(GG) THE CITY ACKNOWLEDGES THAT **FLUSHING PLACE LIMITED DIVIDEND HOUSING ASSOCIATION, LP A LIMITED PARTNERSHIP** (THE "OWNER") HAS OFFERED, SUBJECT TO RECEIPT OF AN AUTHORITY-AIDED OR FEDERALLY-AIDED MORTGAGE LOAN AND/OR ALLOCATION OF LOW INCOME HOUSING TAX CREDITS FROM THE MICHIGAN STATE HOUSING AND DEVELOPMENT AUTHORITY ("MSHDA"), TO OWN AND OPERATE A HOUSING PROJECT IDENTIFIED AS "FLUSHING PLACE" (THE "PROJECT") ON CERTAIN PROPERTY LOCATED IN THE CITY TO SERVE PERSONS AND FAMILIES OF LOW INCOME, AND THAT THE SPONSOR HAS OFFERED TO PAY THE CITY ON ACCOUNT OF THIS HOUSING DEVELOPMENT AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES IN LIEU OF AD VALOREM TAXES.

THE CITY ACKNOWLEDGES THAT THE SPONSOR SHALL BE AFFORDED TAX BENEFITS OF PAYING A SERVICE CHARGE

IN LIEU OF AD VALOREM TAXES (BUT NOT IN LIEU OF PAYMENT OF SPECIAL ASSESSMENTS INCLUDING, BUT NOT LIMITED TO, THE STREET LIGHTING SPECIAL ASSESSMENT). THE CITY FURTHER ACKNOWLEDGES THAT THE SPONSOR FITS WITHIN THE CLASS AS DESCRIBED IN §18-4.3 BELOW. THE ANNUAL SERVICE CHARGE FOR THE CLASS OF PERSONS OF LOW AND MODERATE INCOME SHALL BE EQUAL TO FOUR PERCENT (4%) OF THE ANNUAL SHELTER RENTS, EXCLUSIVE OF CHARGES FOR GAS, ELECTRICITY, HEAT, OR OTHER UTILITIES FURNISHED TO THE OCCUPANTS, INCLUDING THE PORTION OF RENT PAYABLE UNDER ANY GOVERNMENTAL SUBSIDY. NOTWITHSTANDING THE FOREGOING, THE ANNUAL SERVICE CHARGE SHALL NOT EXCEED AD VALOREM PROPERTY TAXES THAT WOULD BE ASSESSED OR PAID ABSENT THIS TAX EXEMPTION.

Sec. 2. This ordinance shall become effective immediately upon publication.

Adopted this \_\_\_\_\_ day of

\_\_\_\_\_, 2021 A.D.

\_\_\_\_\_  
Sheldon A. Neeley, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Angela Wheeler, Chief Legal Officer

**ORDINANCE REVIEW FORM**

FROM: Planning and Development  
Department

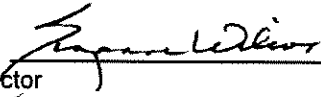
NO. 21-  
Law Office Login #

ORDINANCE NAME: PILOT ORDINANCE RESOLUTION TO GRANT A FOUR (4%) PAYMENT IN LIEU OF TAXES (PILOT) TO PROJECT ENCOMPASSING SEVERAL PARCELS ON N. STEVENSON, KNOWN AS "FLUSHING PLACE", PROVIDING 60 UNITS OF AFFORDABLE HOUSING TO LOW AND MODERATE INCOME RESIDENTS.

**1. ORDINANCE REVIEW - DEPARTMENT DIRECTOR**

The attached ORDINANCE is approved by the Director of the affected Department. By signing, the Director approves this ordinance to be processed for signatures and fully executed.

By: Director  
Suzanne Wilcox, Director

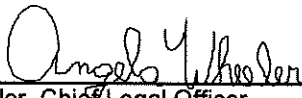


DATE: March 29, 2021

**2. ORDINANCE REVIEW - LAW DEPARTMENT**

The attached ORDINANCE is submitted to the Legal Department for approval. By signing, the Legal Department approves this ordinance to be processed for signatures and fully executed.

By:  
Angela Wheeler, Chief Legal Officer



DATE: 3-30-2021

**3. ORDINANCE REVIEW-FINANCE DEPARTMENT**

The attached ORDINANCE is submitted to the Finance Department for approval. By signing, the Finance

By:  
Amanda Trujillo, Chief Financial Officer



DATE: 03/30/2021

**4. ORDINANCE REVIEW-MAYORS OFFICE**

The attached ORDINANCE is submitted to the Mayors Office for approval. By signing, the Mayor's office

By:  
Clyde Edwards, City Administrator

DATE: \_\_\_\_\_

## Flushing Place PILOT Vs. Tax Comparisons

1) Current taxable generated:	\$3,024	Pilot is based on 4%
2) PILOT estimation	\$18,700.00	DIFFERENCE BETWEEN PILOT AND AD VALOREM TAX
		\$48,828 per year

Based on the Schedule of Rents provided by PK Development., at 100% occupancy, given its rental rates for households at 30%, 40%, and 60% of AMI, the total annual rent potential for the 60 units is \$467,424.

### 3) Estimated project ad valorum taxable value:

	One Bedroom	Two Bedroom
Market Rent	\$600	\$875
Number of Units	24	36
	\$14,400	\$31,500

Monthly Income	\$45,900
Yearly Income	\$550,800
Vacancy/Loss (10%)	(\$82,620)
Potential Gross Income	\$468,180
Expenses	(\$210,681)
Net Operating Income	\$257,499
Cap Rate of 13%	\$1,980,762
SEV/TV	990,381
Potential Taxes	\$67,528

**PAYMENT IN LIEU OF TAXES  
(PILOT)  
APPLICATION**



**CITY OF FLINT**

1101 S SAGINAW ST.  
FLINT, MI 48502  
TEL: 810-766-7436



## **PURPOSE**

To administer the City of Flint Code of Ordinances 18-4.1 to 18-4.8, establishing a class of housing developments pursuant to the State Housing Development Authority Act of 1966, known as Act 436 of the Acts of 1966, being MCLA §§ 125.1401 et seq. , as amended, which are exempt from property taxes, paying instead a service charge to be paid in lieu of taxes (PILOT) by any or all classes of housing exempt from taxation under this Act at any amount it chooses, but not to exceed the taxes that would be paid for if not for this Act.

The City acknowledges that serving persons of low income is a public necessity, and as such the City of Flint will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose. The applicant for a PILOT is affirming that the economic feasibility of this housing development is reliant on this requested tax exemption.

Furthermore, in considering this application for PILOT, the evaluators of such request shall consider that the community shall be developed in a manner consistent with the adopted Master Plan and Consolidated Action Plan. Evaluation of the application should take into consideration maintaining the overall goals and objectives set forth in these plans.

## **ELIGIBILITY**

- 1) Applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park cooperative or mobile home park association, and must be financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA.
- 2) PILOT has been requested during the planning stage of the project; any development project under construction at the time of application is not eligible to apply for, or to receive, a PILOT.
- 3) The applicant must own the property or have an option or other right to purchase the property under consideration and provide in application.
- 4) Housing development must contain a minimum of 51% affordable units.
- 5) Project includes a Low Income Housing Tax Credit (LIHTC) allocation.
- 6) The property is not designated as a Brownfield or 5/50 property or has contacted City to discuss.
- 7) All parcels that are separate have been combined through proper City channels.

## **PROCESS**

1) **Mandatory Pre-Application Conference:** This will be a meeting of all applicable City Departments to include:

- City Administrator
- City Planner
- City Engineer
- City Treasurer
- City Assessor
- Chief Building Official
- Community and Economic Development Staff
- Representatives of applicant development team

This meeting will serve to familiarize all parties with the scope of the project and any issues that may exist. The applicant will also be familiarized with the PILOT process and policies.

2) **Submission of Application:** Application form must be complete and packet of required supporting documentation assembled based upon requirements set forth in the application. Any additional concerns or items that were discussed in the Pre-Application Conference should also be addressed. Application forms are available on both the City of Flint website and in the Department of Community and Economic Development.

One original and one electronic copy shall be submitted no later than seven (7) weeks before the Regular City Council meeting, which are typically held on the 2<sup>nd</sup> and 4<sup>th</sup> Mondays of each month.

3) **Internal (Administrative) Review:** An internal review will occur, resulting in either Administrative approval within three (3) weeks or return to the applicant for corrections.

Applications will be scored on a scoring matrix as attached in this application.

Administrative approval will move the application forward to an ordinance amendment that will be placed on the Government Operation Committee meeting agenda.

4) **Council Committee Review:** Meetings are held the Wednesday prior to the Regular City Council meeting. The developer is required to be in attendance at this meeting to answer any questions the committee may have.

5) **Review by City Council:** Once committee approval is obtained, the ordinance amendment will proceed to the following Regular City Council Meeting (the Monday following committee). The developer is required to be in attendance at this meeting.

6) **Approval:** If the PILOT application is approved by resolution of the City Council, a certified copy of the resolution and a copy of the minutes will be provided to the applicant. Additionally, digital copies will be provided to all applicable City Departments.

***\*Note: All applicants are required to file their MISDA affidavit with the City Assessor by November 1 of the year before the PILOT is to take effect.***

## **APPLICATION REQUIREMENTS**

1) Completed Application Form

2) Narrative:

a. Background information:

- i. Development experience of team
- ii. Describe the corporate partnership structure

b. Describe the proposed Project (include the following sections):

- i. Intended usage/target market
- ii. Economic impact
- iii. Environmental impact (to include any mitigation actions taken)
- iv. Impact on City infrastructure (transportation and utilities)
- v. Impact on City services (police, fire, EMS, code enforcement)
- vi. Square footage of the building and land to be renovated
- vii. Architectural renderings to include the number and type of units
- viii. Any other information to fully explain the project

c. Describe the marketing of the project, clearly identifying the intended market. If the project is speculative, how long is full occupancy expected to take and who will be the property manager?

d. Briefly describe the ownership and tax information for this project:

- i. State the location or the proposed project to include street address, parcel ID, and the legal description.
- ii. Name of the property owner at the time of application.
- iii. If the applicant is not the current owner of record, attach a valid option to purchase.
- iv. Describe any and all financing, options, and liens on the property
- v. State the current assessed value of the property.
- vi. Are any assessments currently under appeal? If yes, describe.

e. Provide a detailed development pro forma outlining proposed hard, soft and financing costs associated with the development. Pro forma must also identify all sources of financing and terms, including Applicant equity, construction, and permanent financing, as well as any government assistance. Proposals must contain detailed cost breakdowns.

f. Provide a detailed operating pro forma. This must include all anticipated major revenues and expenses for the full term of the requested PILOT.

g. Provide a detailed schedule of rents and income limits of lessees

- h. Provide housing market data to show demand.
- i. State a proposed timeline for the Project to include:
  - i. Closing of the loan or contributing financing
  - ii. First expenditure of funds with regards to the project
  - iii. Anticipated date construction will begin
  - iv. Anticipated date of completion
- j. Describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Council members.
- k. To receive application bonus points, address the following:
  - i. Mixed use (PILOT ONLY applies to housing- not commercial SF)
  - ii. Energy efficiency and green practices
  - iii. Neighborhood and block club outreach (Full list of outreach done)
  - iv. External amenities (walk score, proximity to transit, jobs, etc)
- l. Include a copy of the completed MSHDA application for Low Income Housing Tax Credits (LIHTC) within thirty (30) days of submittal to MSHDA.

(APPLICATION FORM ON NEXT PAGE- ATTACH APPLICATION FORM TO  
THE REQUIRED NARRATIVES AND SUPPORTING DOCUMENTS)



**PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION**  
**CITY OF FLINT**

**APPLICANT INFORMATION**

<b>ENTITY NAME</b>	Flushing Place LDHA LP
<b>REPRESENTATIVES NAME</b>	Chris Potterpin
<b>ADDRESS</b>	1784 Hamilton Road, Okemos, MI 48864
<b>TELEPHONE NUMBER</b>	517-347-9662
<b>E-MAIL ADDRESS</b>	cpotterpin@pkhousing.com

**GUARANTORS INFORMATION**

<b>ENTITY NAME</b>	PK Companies LLC
<b>ENTITY PRINCIPAL</b>	Chris Potterpin
<b>ADDRESS</b>	1784 Hamilton Road, Okemos, MI 48864
<b>TELEPHONE NUMBER</b>	517-347-9662
<b>E-MAIL ADDRESS</b>	cpotterpin@pkhousing.com

<b>ENTITY NAME</b>	
<b>ENTITY PRINCIPAL</b>	
<b>ADDRESS</b>	
<b>TELEPHONE NUMBER</b>	
<b>E-MAIL ADDRESS</b>	

## **PROJECT INFORMATION**

<b>PROJECT NAME</b>	Flushing Place
<b>ADDRESS OF PROJECT</b>	847, 841, 833, 829, 823 N Stevenson Street, Flint, MI 48504
<b>PARCEL ID</b>	Full parcel ID's and legal descriptions are included in the application narrative.
<b>LEGAL DESCRIPTION</b>	

## **DEVELOPMENT TEAM**

<b>APPLICANT PRIMARY POINT OF CONTACT</b>	Chris Potterpin, PK Companies LLC
<b>ARCHITECTURAL FIRM</b>	Integrated Architecture
<b>CONSTRUCTION PROJECT MANAGER</b>	DW Lurvey Construction Co
<b>GENERAL CONTRACTOR FOR PROJECT</b>	DW Lurvey Construction Co.

*Applicant is to attach items a-l as required in the narrative portion of the application.*

- a. Background information
- b. Project description
- c. Project marketing/target market
- d. Ownership description/tax information
- e. Detailed development pro forma
- f. Operating pro forma
- g. Schedule of rents/income levels
- h. Housing market data supporting demand
- i. Proposed project timeline
- j. Conflicts of interest
- k. Application bonus point items
- l. MSHDA application for LIHTC credits

## Flushing Place PILOT Application Narrative

### *a. Background Info*

- i. Devel experience of team*
- ii. Describe corporate partnership structure.*

The partnership structure for Flushing Place LDHA LP will include both PK Companies LLC and Metro Community Development as co-general partners. Please see the attached PK Companies Resume package for a full overview of our company's development, construction, and management experience.

### *b. Describe Proposed Project*

- i. Intended usage/target market*
- ii. Economic Impact*
- iii. Environmental Impact (include any mitigation actions taken)*
- iv. Impact on City infrastructure (transportation and utilities)*
- v. Impact on City services (police, fire, EMS, code enforcement)*
- vi. Square footage of the building and land to be renovated*
- vii. Architectural rendering to include the number and type of units*
- viii. Any other info to fully explain the project*

Flushing Place is the redevelopment of an entire block along within the University Corridor, bound by Flushing Road, Frost St, Stevenson, and Fifth Ave. The development project will be completed in phases with the first phase being a 9% LIHTC development at the corner of Flushing Road and Stevenson Road. The LIHTC development will include 60-apartment homes for families and individuals in need of affordable housing options in close proximity to community amenities.

The land area of the LIHTC portion of Flushing Place is approximately 1.448 acres or approximately 63,075 square feet. The building area of the LIHTC portion of Flushing Place is approximately 57,580 square feet. Please see the attached drawing and rent roll demonstrating the number and unit types within the Flushing Place LIHTC development.

The intended market for Flushing place is families and individuals in need of quality affordable housing in proximity to employment, goods and services in the city of Flint. The apartment homes will be made available to individuals and families with income at or below 60% of the Area Median Income (AMI), which translates to a maximum of approximately \$30,720 for a two-person household.

Along with the 60 apartment homes under the 9% LIHTC phase of Flushing Place, the project team will also be simultaneously developing an 84-unit market-rate townhouse style project. These new diverse housing opportunities, along with the new commercial and office space for community goods and services will replace a block that has long stood primarily vacant and has been gradually deteriorating. The construction of the development itself is anticipated to create around 150 jobs, while the new commercial and office space could create several new permanent employment positions.

A Phase I environmental study is being commissioned by PM Environmental. The report will detail any contamination or required remediation activity for the site. Once complete, the Flushing Place block will

resolve any existing environmental concerns or abatement. There are no uses planned for the site that will result in any future adverse environmental impacts.

The development of Flushing Place will include significant investment in site infrastructure, as well as upgrades to tie-ins and infrastructure located in the road right-of-way surrounding the development.

Flushing Place is expected to alleviate demand for city services as they relate to blighted and vacant property. The development of Flushing Place will bring additional site security reducing the need for visits by Police and Fire departments. Creating a vibrant neighborhood with Flushing Place will reduce the amount of crime that occurs in this area.

- c. Describe the marketing of the project, clearly identifying the intended market. If the project is speculative, how long is full occupancy expected to take and who will be the property manager*

Marketing for the finished apartment homes will follow an Affordable Fair Housing Marketing Plan (attached as an exhibit) as required by the MSHDA LIHTC program. This plan will be carried out by PK Housing & Management, an affiliate of PK Development Group (member of PK Metro Flushing Place LDHA LP). We expect to reach full occupancy within 8 months of completing construction.

- d. Briefly describe the ownership and tax info for this project:*
- i. State the location of the proposed project to include street address, parcel ID< and the legal description*
  - ii. Name of the property owner at the time of application*
  - iii. If the applicant is not the current owner of record, attach a valid option to purchase*
  - iv. Describe any and all financing, options, and liens on the property*
  - v. State the current assessed value of the property*
  - vi. Are any assessments currently under appeal? If yes, describe.*

The Flushing Place project site is bound by Flushing Road, University Ave, Frost Street, and Stevenson Road. The redevelopment of this block will occur over several phases. For purposes of this application, the first phase, also the 9% LIHTC phase, will be constructed on the corner of Flushing Road and Stevenson Road. The street addresses, parcel numbers, current ownership entities, current assessed values, and legal descriptions are listed below:

- 841 N Stevenson Street (Parcel ID: 40-12-358-038)  
Current Owner: DFPH, LLC  
Assessed Value: \$123,200  
Legal Description:  
LOTS 16 AND 17, BLK A OF A. MCFARLAN'S REPLAT OF PARTS OF BLOCK 3, MCFARLAN & CO.'S COTTAGE GROVE ADDITION EXC BEG AT THE SE'LY COR OF SD LOT 17; TH N'LY TO THE LT ALONG A 30 DEG 49 MIN CURVE TO A PT ON N LINE OF SD LOT 16, 17.9 FT W OF W LINE OF STEVENSON ST; TH E'LY 17.9 FT ALONG SD N LINE TO W LINE OF STEVENSON ST; TH S'LY TO POB; ALSO EXC BEG ON THE N LINE OF SD LOT 16, 17.9 FT W OF THE NE COR OF SD LOT; TH W ALONG SD N LINE 81.8 FT; TH S 30 DEG 0 MIN E 0.66 FT; TH E'LY 81.81 FT TO POB; ALSO LOT 17, BLK 3 EXC S'LY 26 FT OF MCFARLAN & CO.'S COTTAGE GROVE ADDITION.



- 847 N Stevenson Street (Parcel ID: 40-12-358-052)  
Current Owner: DFPH, LLC  
Assessed Value: \$70,300  
Legal Description:  
A. MCFARLAN'S REPLAT OF PARTS OF BLOCK 3, MCFARLAN & CO.'S COTTAGE GROVE ADDITION LOTS 13 AND 14; ALSO LOT 15 EXC BEG AT A PT ON NLY LINE OF SD LOT, 0.1 FT ELY FROM NWLY COR OF SD LOT; TH SELY ALG A 30 DEG 49 MIN CURVE TO THE RIGHT TO A PT ON SLY LINE OF SD LOT, 17.9 FT WLY FROM SELY COR OF SD LOT; TH ELY ALG SD SLY LINE 17.9 FT TO SD SELY COR; TH NLY ALG ELY LINE 28.3 FT TO NELY COR OF SD LOT; TH WLY ALG NLY LINE OF SD LOT, 108.4 FT TO POB; ALSO PART OF LOT 16 DESC AS: BEG AT A PT ON NLY LINE OF SD LOT, 17.9 FT WLY FROM NELY COR OF SD LOT; TH WLY ALG SD NLY LINE, 81.80 FT; TH SLY = WITH ELY LINE OF SD LOT, 0.66 FT; TH ELY 81.81 FT TO POB, BLK A
- 823 Stevenson Street (Parcel ID: 40-12-358-041)  
Current Owner: Arif, Ahmed A  
Assessed Value: \$13,900  
Legal Description:  
MCFARLAN & CO.'S COTTAGE GROVE ADDITION LOT 15, BLK 3
- 829 Stevenson Street (Parcel ID: 40-12-358-040)  
Current Owner: Hughes, Anna & Husna, Arif  
Assessed Value: \$2,800  
Legal Description:  
MCFARLAN & CO.'S COTTAGE GROVE ADDITION SLY 48 FT OF LOT 16, BLK 3
- 833 Stevenson Street (Parcel ID: 40-12-358-039)  
Current Owner: Husna Arif Properties, LLC  
Assessed Value: \$15,000  
Legal Description:  
MCFARLAN & CO.'S COTTAGE GROVE ADDITION NLY 18 FT OF LOT 16, ALSO SLY 26 FT OF LOT 17, BLK 3

The project team is currently resolving final negotiations for Purchase Option Agreements on each of the aforementioned properties. Current drafts of these agreements are attached. Aside from these agreements, there are no other options, financing, or liens on the property, nor any assessments under appeal.

- e. Provide a detailed development proforma outlining proposed hard, soft and financing costs associated with the development. Pro forma must also identify all sources of financing and terms, including applicant equity, construction, and permanent financing, as well as any government assistance. Proposals must contain detailed cost breakdowns.*

Please see the attached development sources and uses.

- f. Provide a detailed operating pro forma. This must include all anticipated major revenues and expenses for the full term of the requested PILOT.*

Please see the attached operating proforma.

- g. Provide a detailed schedule of rents and income limits of lessees.*

Please see the attached rent roll and income limits.

- h. Provide housing market data to show demand.*

A full market study for Flushing Place is currently being commissioned by Bowen National Research, as required by MSHDA for a LIHTC application. The market study report will be shared with the City of Flint once complete.

- i. State a proposed timeline for the Project to include:*
- i. Closing of the loan or contributing financing.*
  - ii. First expenditure of funds with regards to the project.*
  - iii. Anticipated date construction will begin*
  - iv. Anticipated date of completion*

Closing on the construction loan for Flushing Place will occur by the fourth quarter 2021, with construction commencing at that same time. The project team has already begun expenditure of funds with due diligence work including land acquisition, environmental investigation, site planning and design work. We anticipate the construction will be complete by September of 2022.

- j. Describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Council members.*

There are no conflicts of interest between the applicant, it's guarantors, and City Personnel or City Council members.

- k. To receive application bonus points, address the following:*
- i. Mixed- use (PILOT ONLY applies to housing, not commercial SF)*
  - ii. Energy efficiency and green practices*
  - iii. Neighborhood and block club outreach (full list of outreach done)*
  - iv. External amenities (walkscore, proximity to transit, jobs, etc)*

The development will include a 5-story mixed use building on the corner of Flushing and Stevenson. This building will include approximately 60 apartment homes as well as 3,800 square feet of first floor commercial space.

The construction and development of the Flushing Place project will follow and adhere to Enterprise Green Building Standards for certification within that program as a new construction project.

The PK-Metro team has been very active in engaging stakeholders before moving forward with this project. We have presented plans and received input from the Mott Foundation, Genesee County Land Bank, Kettering University, and Hurley Hospital. We have worked diligently to refine and improve this project with the helpful input from each of our meetings. In addition, the project team has relied heavily on work done by the neighborhood group to envision the redevelopment of this land – Flushing Place seeks to drive that vision forward.

While the walkscore for the property is on the low end with a score of 42, due to the project location upon the University Avenue Corridor, there are several MTA bus stops within close walking distance of Flushing Place. This proximity to transportation will enable residents to access many nearby community amenities that may be just out of walking distance, as well as the downtown core of the city. There are many employment opportunities within close proximity, with large employers such as the Hurley Medical Center to the east and Kettering University to the west.

- I. Include a copy of the completed MSHDA application for LIHTC within 30 days of submittal to MSHDA.*

A copy of the Flushing Place LIHTC application will be provided to the City of Flint once it has been submitted to MSHDA.

PK Development Group  
Sources and Uses  
Flushing Place - Mixed Use  
Flint, MI

<u>Sources</u>	Construction	Permanent	Housing TC Acq Basis	Housing TC Rehab Basis	Amortized	Other
Interim Loan		-				
Construction Loan #1		-				
Housing Credit Equity	3,736,188	12,453,960				
Construction / Perm Loan #1	9,503,981	2,000,000				
Construction / Perm Loan #2	-	-				
Construction / Perm Loan #3	-	-				
Developer Equity	-	-				
GP Loan	-	-				
Mott Investment	-	-				
Grant #2						
Reserves Transferred						
Historic Tax Credit Equity						
Deferred Developer Fee	1,125,000	178,061				
Cash from Operations						
<b>Total Sources</b>	<b>14,365,169</b>	<b>14,632,021</b>				
<u>Uses</u>						
<i>Acquisition Costs</i>						
Acquisition - Cash	625,000		-			62,500
Acquisition - Debt Assumed	-		-			-
Acquisition Soft Costs	-		-			-
<i>Hard Costs</i>						
Building Costs - Residential	8,700,000			8,700,000		
Building Costs - Townhouses	-			-		
Site Work	1,475,000			1,475,000		
Contractor Profit & Fees	-			-		
Retail TI	120,000			-		
FF&E, Owner Items	-			-		
Contingency	508,750			508,750		
<i>Soft Costs</i>						
Architect & Engineering Fees	486,169			415,692		
Real Estate Legal	35,000			29,926		
Survey	10,500			8,978		
Capital Needs Assessment	-			-		
Appraisal	5,000			4,275		
Environmental	30,000			25,651		
Title, Recording, Taxes	50,000			42,752		
Builder's Risk & GL Insurance	30,000			25,651		
Real Estate Taxes	-			-		
Payment & Performance Bond	-			-		
Construction Interest	371,250			158,716		212,534
Interim Loan Fees	110,000			94,054		
Interim Lender Legal	30,000			25,651		
Accounting	20,000			20,000		
Relocation Costs/Marketing	15,000			-		
Developer Fees	1,500,000	-	-	1,500,000		
Market Study	6,000			6,000		
Tax Exempt Bond COI & Interest	-			-		
Soft Cost Contingency	75,000			64,128		
Permanent Loan #1 Fees		27,500			27,500	
Permanent Loan #1 Legal		15,000			15,000	
Permanent Loan #2 Fees	-				-	
Permanent Loan #2 Legal	-				-	
Syndicator Legal	-				-	
Tax Credit fees	112,500					112,500
Other Soft Cost #1	-					-
Other Soft Cost #2	-					-
Other Soft Cost #3	-					-
Leaseup Reserve	50,000					50,000
Operating Reserve (6 mos)		224,352				224,352
Replacement Reserve		-				-
Repair Escrow		-				-
<b>Total Uses</b>	<b>14,365,169</b>	<b>14,632,021</b>	<b>-</b>	<b>13,105,225</b>	<b>42,500</b>	<b>661,886</b>

LIHTC Allocation %

0.86

PK Development Group

Summary Proforma

Construction

Flushing Place - Mixed Use

Flint, MI

Base Year  
20%

	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029
Gross Rent Potential - Residential	467,424	467,424	476,772	486,308	496,034	505,955	516,074	526,395
Gross Rent Potential - Commercial	17,951	18,000	18,360	18,727	19,102	19,484	19,873	20,271
Commercial Reimbursement	16,953	17,000	17,510	18,035	18,576	19,134	19,708	20,299
Vacancy - Residential	(377,334)	(93,485)	(33,374)	(34,042)	(34,722)	(35,417)	(36,125)	(36,848)
Vacancy - Commercial	-	(1,800)	(1,836)	(1,873)	(1,910)	(1,948)	(1,987)	(2,027)
Other Income	-	-	-	-	-	-	-	-
Total Revenue	124,994	407,139	477,432	487,156	497,080	507,207	517,542	528,090
Administrative and Office Expense	12,534	25,000	25,750	26,523	27,318	28,138	28,982	29,851
Audit and Tax Return	6,016	12,000	12,360	12,731	13,113	13,506	13,911	14,329
Management Fees	33,840	33,840	34,855	35,901	36,978	38,087	39,230	40,407
Utilities - Gas	9,025	18,000	18,540	19,096	19,669	20,259	20,867	21,493
Utilities - Water and Sewer	25,068	50,000	51,500	53,045	54,636	56,275	57,964	59,703
Utilities - Electric	9,025	18,000	18,540	19,096	19,669	20,259	20,867	21,493
Elevator	5,014	10,000	10,300	10,609	10,927	11,255	11,593	11,941
Maintenance and Grounds	16,044	32,000	32,960	33,949	34,967	36,016	37,097	38,210
Commercial Taxes	6,016	12,000	12,360	12,731	13,113	13,506	13,911	14,329
Commercial Insurance	2,507	5,000	5,150	5,305	5,464	5,628	5,796	5,970
Marketing/Leasing	-	-	-	-	-	-	-	-
Property Taxes - 4% PILOT	6,440	12,846	15,554	15,837	16,124	16,417	16,714	17,016
Insurance	7,521	15,000	15,450	15,914	16,391	16,883	17,389	17,911
Payroll	32,589	65,000	66,950	68,959	71,027	73,158	75,353	77,613
	171,639	308,686	320,269	329,693	339,397	349,387	359,673	370,265
Net Operating Income	(46,645)	98,454	157,163	157,463	157,683	157,820	157,869	157,826
Replacement Reserve Funding								
Perm Loan #1 Payment	-	4,500	18,540	19,096	19,669	20,259	20,867	21,493
Perm Loan #2 Payment	-	27,474	109,895	109,895	109,895	109,895	109,895	109,895
Leaseup Reserve w/d	(35,000)	-	-	-	-	-	-	-
Net Cash Flow	(11,645)	66,480	28,729	28,472	28,119	27,666	27,108	26,438
DSCR - Hard Loans			1.26	1.26	1.26	1.25	1.25	1.24

**PK Development Group**

**Summary Proforma**

**Flushing Place - Mixed Use**

**Flint, MI**

	9	10	11	12	13	14	15
	2030	2031	2032	2033	2034	2035	2036
Gross Rent Potential - Residential	536,923	547,662	558,615	569,787	581,183	592,807	604,663
Gross Rent Potential - Commercial	20,676	21,090	21,512	21,942	22,381	22,828	23,285
Commercial Reimbursement	20,908	21,535	22,181	22,847	23,532	24,238	24,965
Vacancy - Residential	(37,585)	(38,336)	(39,103)	(39,885)	(40,683)	(41,496)	(42,326)
Vacancy - Commercial	(2,068)	(2,109)	(2,151)	(2,194)	(2,238)	(2,283)	(2,328)
Other Income	-	-	-	-	-	-	-
Total Revenue	538,855	549,841	561,054	572,496	584,175	596,094	608,258
Administrative and Office Expense	30,747	31,669	32,619	33,598	34,606	35,644	36,713
Audit and Tax Return	14,758	15,201	15,657	16,127	16,611	17,109	17,622
Management Fees	41,619	42,867	44,154	45,478	46,842	48,248	49,695
Utilities - Gas	22,138	22,802	23,486	24,190	24,916	25,664	26,434
Utilities - Water and Sewer	61,494	63,339	65,239	67,196	69,212	71,288	73,427
Utilities - Electric	22,138	22,802	23,486	24,190	24,916	25,664	26,434
Elevator	12,299	12,668	13,048	13,439	13,842	14,258	14,685
Maintenance and Grounds	39,356	40,537	41,753	43,005	44,295	45,624	46,993
Commercial Taxes	14,758	15,201	15,657	16,127	16,611	17,109	17,622
Commercial Insurance	6,149	6,334	6,524	6,720	6,921	7,129	7,343
Marketing/Leasing	-	-	-	-	-	-	-
Property Taxes - 4% PILOT	17,323	17,636	17,954	18,277	18,605	18,939	19,279
Insurance	18,448	19,002	19,572	20,159	20,764	21,386	22,028
Payroll	79,942	82,340	84,810	87,355	89,975	92,674	95,455
	381,169	392,397	403,958	415,861	428,117	440,736	453,730
Net Operating Income	157,686	157,444	157,096	156,635	156,058	155,357	154,528
Replacement Reserve Funding	22,138	22,802	23,486	24,190	24,916	25,664	26,434
Perm Loan #1 Payment	109,895	109,895	109,895	109,895	109,895	109,895	109,895
Perm Loan #2 Payment	-	-	-	-	-	-	-
Leaseup Reserve w/d	-	-	-	-	-	-	-
Net Cash Flow	25,654	24,748	23,715	22,550	21,247	19,799	18,200
DSCR - Hard Loans	1.23	1.23	1.22	1.21	1.19	1.18	1.17

## Property Rent and Expenses

### Rent Schedule - Residential

AMI Restriction	# of Bedrooms	# of Baths	# of Units	Current Gross Rent Per Unit	Rent Increase	Utility Allowance	Net Rent Per Unit	Total Monthly Rent
60%	1	1	24	700		85	615	14,760
60%	2	2	36	780		108	672	24,192
							-	-
							-	-
							-	-
							-	-
							-	-
							-	-
							-	-
Totals			60					38,952
<b>Annual Gross Rent Potential</b>							<b>467,424</b>	

Project: Flushing Place Apartments  
Flint, MI

The following information is being submitted as the Affirmative Fair Housing Marketing Plan for Flushing Place Apartments located in Flint, Michigan. Flushing Place is an affordable senior community that will operate with the funding provided by low income housing tax credits.

The intent of this document is to define what minority populations exist within the community and to outline the methods which will be used by PK Housing & Management to make these groups aware of the opportunity for them to reside at Flushing Place Apartments.

Flushing Place Apartment's Primary Market Area (PMA) consists of The City of Flint and Genesee County. For purposes of this report, Genesee County 2019 estimated census data is utilized. According to the census data, there was an estimated 405,813 people in the Primary Market area; of this group 13.4% were disabled and 28.3% were minority. The minority population consists of 20.3% black, 0.6% American Indian or Alaska Native, 1% Asian, 2.8% reporting two or more races, and 3.6% Hispanic or Latino. The target population least likely to apply for housing at Flushing Place Apartments is the minority and handicap population. The goal of PK Housing is to market at least 17 units of the total 60 units in the project to minority individuals and 8 units to disabled individuals. PK Housing and Management will make a concentrated effort through advertising, community outreach, and staff orientation and training using the methods outlined in the attached training schedule to accomplish this goal.

The community outreach portion of the Affirmative Marketing Plan will center round personal contact and written correspondence with business and industry, governmental agencies, and influential members of the minority/handicap population of the community. Chief operating officers of governmental agencies who deal with minority/handicap group members will be personally contacted and their assistance in reaching this target population will be solicited. Follow-up contact will be via letter/brochure describing the apartments and amenities. A partial list of these groups along with their addresses and telephone numbers are included as Exhibit B.

The method used to initiate contact with minority group members will be threefold and begin 120 days before the first units are released: newspaper, community outreach (business and industry); governmental agencies: contact with community groups whose membership is either primarily composed of minorities, or at least heavily represented by that segment of the population, and contact with well-known and/or influential individuals within the minority community itself.

The Regional Property Manager that will be responsible for supervising the marketing of Flushing Place Apartments and is responsible for the training and achievement of the Affirmative Marketing and Handicap Marketing goals. The Marketing Staff will meet as a group at least once a week to discuss individual prospects they have met. Each member will be instructed to take special note of all applicants who contact him or her, and to record after that person leaves his/her attitude toward the project in general, and the degree of interest in any specific unit. Staff members will be required to read the Affirmative Marketing Plan as a prerequisite to working at Flushing Place Apartments. Additionally, they will be asked to query all applicants as to how they heard about the apartments. This information will be continually evaluated so the advertising effort can be more effective.

PK Housing & Management's approach toward media advertising to attract members of minority groups will center on newspaper and flyer/brochure mailings. The largest newspaper in the area is the Flint Journal. The newspaper's readership is within the Primary Market Area. The classified section will be utilized weekly during the initial marketing of the project.

A flyer/brochure will be developed for Flushing Place Apartments if needed. The brochure will indicate location in relation to community amenities, unit layout, information on appliances, and will contain all necessary slogans and logos. The brochure as well as all advertising will contain the words "Equal Housing Opportunity" and logo as well as the wheelchair logo.

The Affirmative Marketing Plan and Handicap Marketing Plan are plans that are in place for the life of the mortgage, constructed to accomplish marketing of Flushing Place Apartments to a representative minority and handicap populations. If, after marketing efforts have begun, it is perceived that these goals can be better achieved by



advertising with different or additional agencies or individuals, these plans will be flexible enough to be changed and/or expanded.

The following is a breakdown of the overall annual marketing budget for Flushing Place Apartments. The portion of expenses utilized to implement this Affirmative Marketing Plan are noted.

Item	Affirmative Marketing	General	Total
Brochure/Flyers	\$156	\$446	\$602
Stationary	\$46	\$132	\$178
Newspaper	\$291	\$822	\$1,113
Signage	\$29	\$90	\$119
Open House	\$85	\$241	\$326
Postage	\$73	\$207	\$280
Staff	\$230	\$652	\$882
<b>TOTAL</b>	<b>\$910</b>	<b>\$2,590</b>	<b>\$3,500</b>

PK Housing & Management, as a Managing Agent, specializes in the management of subsidized housing that has been constructed under the HUD, MSHDA and Rural Development programs. All advertising contains the wheelchair logo to aid in achieving our handicapped goals. PK Housing & Management has been able to reach its Affirmative Marketing and Handicap goals on projects all over the state of Michigan, as well as Texas, Indiana, and Ohio to maintain its compliance with various funding programs.

PK Housing and Management also agrees to comply with the following requirements:

1. That a continuous outreach program will be conducted to maintain a well-balanced waiting list that will assure the meeting of the affirmative marketing goal at all times.
2. That a housing discrimination disclaimer clause shall be included in any preliminary and/or full application blank. (Pledge not to discriminate against applicants based on their race, sex, age, religion, national origin, familial status, or handicap.)
3. That the handicap logo will be in all advertisements, if the development has barrier free or accessible units.
4. That the MSHDA approved equal opportunity housing slogan or logo will be included in all advertising.
5. That a log of community contacts, daily traffic records, and any other record keeping materials be maintained for inspection and a copy of the AFHMP will be kept on site.
6. That all fair housing required signs will be posted in designated locations.
7. That the management agent, PK Housing and Management, has agreed to start the Affirmative Fair Housing Marketing efforts with respect to the "target population" at least 120 days prior to anticipated initial occupancy.
8. That any prospective residential preferences will be identified and made known.

_____ Signature	_____ January 5, 2021 Date
_____ Ronald Potterpin Print Name	_____ President Title



## PK Housing & Management - Staff Training Schedule

PK Housing & Management has one annual training per year for its staff and Fair Housing is always a topic at our annual training.

In addition, Administrative and Site Management staff is required to take and pass Fair Housing I, Fair Housing II, and Preventing Sexual Harassment provided by Grace Hill; Essential Multifamily Educators online education annually. See listing below.

Maintenance staff is required to take and pass Fair Housing for Maintenance provided by Grace Hill online educators annually.

Other Fair Housing Training Seminars are also sought for additional training at all levels of our personnel.

**Flushing Place Apartments  
Exhibit B**

Flint Housing Commission  
3820 Richfield Rd  
Flint, MI 49506  
810-736-3050  
Fax 810-736-0158  
Director: Harold Ince, Jr.

The Disability Network  
3600 Dort Hwy #54  
Flint, MI 48507  
810-742-1800  
Director: Duncan Beagle

Family Service Agency of Mid Michigan  
1422 West Court Street  
Flint, MI 48503  
801-767-4014 ext. 419  
Director: Brooke Gow

Spectrum Human Services  
711 Saginaw St  
Flint, MI 48503  
734-458-8736  
Director: Barbara Fowkes

## OPTION AGREEMENT

This Option Agreement, entered into this \_\_\_\_ day of October, 2020, between **UPTOWN REINVESTMENT CORPORATION**, a Michigan nonprofit corporation, of 503 S. Saginaw Street, Suite 1500, Flint, MI 48502 (hereinafter "Optionor"), and **PK DEVELOPMENT GROUP LLC** (or its assignee), a Michigan limited liability company, of 1784 Hamilton Road, Okemos, MI 48864 and **METRO COMMUNITY DEVELOPMENT**, a Michigan nonprofit corporation, of 503 S. Saginaw Street, Suite 804, Flint, MI 48502 (hereinafter the "Optionee"), is entered for the purpose of giving the Optionee exclusive rights to purchase the property described on Exhibit A ("Property"), pursuant to the Flushing Place Development Plan demonstrated by Exhibit B ("Development Plan").

1. **Term of Option.** This Option for the Property is effective from the date set forth above until the 1<sup>st</sup> day of \_\_\_\_\_, 20\_\_\_\_.

2. **Earnest Money Deposit.** Optionee shall deposit in escrow with Cinnaire Title Services, LLC (the "Title Company") the sum of Five Thousand and No/100 (\$5,000.00) Dollars cash, deposited within five (5) Business Days (as defined below) of the Effective Date (the "Initial Earnest Money Deposit"). The Earnest Money Deposit shall be held in a non-interest bearing account. The Earnest Money Deposit shall be credited to the Purchase Price at closing and shall be non-refundable upon expiration of the last to expire of the contingency periods except as otherwise specifically provided. For purposes hereof, the phrase "Business Days" shall mean the days of the week other than Saturday, Sunday, or a day on which banking institutions in Detroit, Michigan are obligated or authorized by law or executive action to be closed to the transaction of normal banking business.

3. **Escrow Agent.** The Escrow Agent shall be Cinnaire Title Services LLC of 1118 S. Washington Avenue, Lansing, MI 48910.

4. **Method of Exercising Option.** To exercise this Option, the Optionee shall notify the Optionor in writing that it is exercising the Option, and shall either personally deliver to or mail by certified mail, return receipt requested, such notice to the Optionor. To be effective, said notice must be sent by the Optionee on or before the expiration date of this Option.

5. **Terms of Agreement.** Optionor and Optionee hereby agree to the following terms upon which this Option shall be contingent:

- A. **Tax Credits and Financing.** The obligations of Optionee hereunder are subject to Optionee's successful obtainment of LIHTC credits upon terms and conditions satisfactory to Optionee, in Optionee's sole discretion. Subject to securing the required PILOT, which shall be diligently pursued, Optionee shall timely submit its initial application to the Michigan State Housing Development Authority ("MSHDA") for the February 2021 funding round and shall diligently pursue such application. The obligations of Optionee hereunder are further subject to Optionee's prospective lender receiving an acceptable appraisal report.

- B. Optionee shall timely submit its initial application to the Michigan State Housing Development Authority ("MSHDA") for the February 2021 funding round and shall diligently pursue such application.

6. **Warranties and Representations.**

A. **Mutual Representations.** Each party represents and warrants to the other that: (1) it has full power and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement; and (2) all necessary actions have been taken to authorize the signatories herein to execute and deliver this Agreement and the other documents and instruments contemplated by this Agreement.

B. **Inducement.** Each party makes the representations and warranties made by it in order to induce the other to enter into this Agreement.

C. **Optionor's Representations and Warranties.** Optionor represents and warrants that each of the following are true as of the Effective Date and will be true as of the date of Closing and makes these representations and warranties with the understanding that each of said representations and warranties is material, notwithstanding any investigations, inspections or examinations made by or on behalf of Optionee, and has been relied upon by Optionee in connection herewith and shall survive the Closing of any sale made pursuant to this Agreement and the delivery of the warranty deed and other closing documents. Optionor shall indemnify, defend and hold Optionee and its members, partners, officers, directors, employees and agents harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties and damages, (including reasonable attorneys' fees) arising out of, resulting or related in any manner to a breach of any of these representations and warranties by Optionor. Optionee may not make a claim hereunder using any fact or event which is inconsistent with any representation or warranty, which fact or event it obtains actual knowledge prior to closing as a result of its due diligence or otherwise.

1. **Litigation.** Optionor has no actual knowledge of any litigation, claim, governmental proceeding or investigation of any kind or nature pending or threatened, or any orders, judgments of any court relating to Optionor or the Property, or against Optionor's title to or right to possess the Property and Optionor has no knowledge or reason to believe that anyone other than Optionor has any interest or right whatsoever in the Property, except as disclosed in the title commitment.

2. **Other Claims.** Except as otherwise disclosed to Optionee on the Title Commitment, Optionor has received no notice and has no knowledge of any condemnation or regular or special assessment, or proceeding concerning same, affecting either the whole or any part of the Property, and no federal, state or local taxing authority has asserted any tax deficiency, lien or assessment against the Property or Optionor or any officers of Optionor.

3. **Environmental Status.** To the best of Optionor's knowledge, except with respect to the asbestos flooring, which has been encapsulated, Optionor has not received any notice from any applicable governmental entity or to the best of

Optionor's knowledge any other person of the potential or actual existence of any hazardous material on, in, under or otherwise affecting the Property.

4. Construction Liens. Optionor represents and warrants that it has no knowledge of any claim for construction liens or of work done from which a construction lien could arise, and that all work done on the Property that could result in a construction lien has been paid or will be paid.

5. Ownership. To the best of Optionor's knowledge, it is the fee owner of the Property. Optionor has not granted, and shall not grant prior to closing, any option or rights of first refusal to third parties to acquire or purchase any interest in any of the Property that may impede Optionor's performance under this Agreement or remain outstanding after the Closing.

6. Bankruptcy. As of the Effective Date, there are no attachment, execution or assignment for the benefit of creditors or voluntary proceedings in bankruptcy or under other debtor relief law pending, contemplated by, or (to Optionor's knowledge) threatened against Optionor, or otherwise affecting all or any of the Property, other than any such action against an individual tenant. Optionor will, at closing, reaffirm this representation.

7. Condemnation. Optionor has not received any notice and has no actual knowledge of any pending or threatened condemnation or similar proceeding affecting any of the Property, or any pending public improvements in or adjoining any of the Property that could in any manner affect any of the Property.

8. Right to Possession. To the best of Optionor's knowledge, no person, firm, or corporation has a right to possession or is in possession of the Property or any portion thereof, as a lessee or tenant of Optionor or otherwise except as shown on the leases, rent roll and title report.

9. Optionor is not a foreign person as defined in Section 1445(f) (3) of the Internal Revenue Code and Regulations promulgated thereunder, which Optionor shall so certify at Closing.

Whenever a representation is qualified by the phrase "to Optionor's best knowledge" or by words of similar import, the accuracy of such representation shall be based solely on the actual knowledge without independent investigation or inquiry.

D. Optionee's Representations and Warranties. Optionee represents and warrants that each of the following are true as of the Effective Date and will be true as of the date of Closing and makes these representations and warranties with the understanding that each of said representations and warranties is material, notwithstanding any investigations, inspections or examinations made by or on behalf of Optionor, and has been relied upon by Optionor in connection herewith and shall survive the Closing of any sale made pursuant to this Agreement and the delivery of the warranty deed and other closing

documents, but shall be subject to the limitations set forth in Section 7.2 above. Optionee shall indemnify, defend and hold Optionor and its members, partners, officers, directors, employees and agents harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties and damages, (including reasonable attorneys' fees) arising out of, resulting or related in any manner to a breach of any of these representations and warranties by Optionee. Optionor may not make a claim hereunder using any fact or event which is inconsistent with any representation or warranty, which fact or event it obtains actual knowledge prior to closing as a result of its due diligence or otherwise.

1. Authority. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) be in violation of Optionee's organizational documents; (ii) conflict with or result in a breach of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Optionee; or (iii) constitute a breach of any agreement to which Optionee is a party or by which Optionee is bound.

2. OFAC. Each of Optionee and those persons and entities having any direct or indirect ownership interest in Optionee is: (i) not a "blocked" person listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and all modifications thereto or thereof (as used herein, the "**Annex**"); (ii) in full compliance with the requirements of the Patriot Act and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**"); (iii) operated under policies, procedures and practices, if any, that are in compliance with the Patriot Act; (iv) not in receipt of any notice from the Secretary of State or the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Act; (v) not listed as a "Specially Designated Terrorist" or as a "blocked" person on any lists maintained by the OFAC pursuant to the Patriot Act or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of the OFAC issued pursuant to the Patriot Act or on any other list of terrorists or terrorist organizations maintained pursuant to the Patriot Act; (vi) not a person who has been determined by competent authority to be subject to any of the prohibitions contained in the Patriot Act; and (vii) not owned or controlled by or now acting and or will in the future act for or on behalf of any person named in the Annex or any other list promulgated under the Patriot Act or any other person who has been determined to be subject to the prohibitions contained in the Patriot Act. All capitalized words and phrases and all defined terms used in the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 13224 effective September 24, 2001 (collectively referred to as the "**Patriot Act**") are incorporated into this Section.

7. Contents of Real and Personal Property. Optionor shall retain ownership of all contents of the structures located on the Property and any personal property therein. Any contents or personal property left on the property when Optionee takes possession shall be considered



abandoned by Optionor. Optionor acknowledges that the structures will be demolished by Optionee shortly after closing and Optionor agrees to hold Optionee harmless for any loss of contents of the structures or personal property located on the Property when Optionee takes possession.

8. **Title.** Upon the execution of this Option Agreement, the Optionor shall have fifteen (15) days to provide a title commitment from the Escrow Agent in the amount of the Purchase Price insuring title in a form acceptable to Optionee. Optionor shall provide a fee simple title policy at closing and shall pay for the cost of said policy. If Optionor cannot provide marketable or insurable title, and/or the right to lease the Property in a form acceptable to Optionee, then Optionee shall be entitled to void this agreement.

8. **Assignment.** The Optionee has the sole right to assign this Option to any entity designated by Optionee without Optionor's consent.

9. **Taxes and Assessments.** All real estate taxes to date, shall be prorated as of date of Closing.

10. **Optionee's Right to Rezone.** Optionor agrees that the Optionee shall have the right during the Option period to apply for whatever municipal approvals are necessary to utilize the property for its intended use and that the Optionor shall support, and cooperate with any such approvals by Optionee.

11. **Site Inspection Rights:** Upon reasonable notice to Optionor, Optionee, and Optionee's agents, employees, contractors and consultants, shall have access to the Property to conduct such inspections, investigations, appraisals, tests and determinations of the Property as Optionee shall desire in order to determine, in Optionee's sole opinion, that the condition of the Property is acceptable and that the Property is suitable for Optionee's intended use. The cost of any and all such inspections, investigations, appraisals, tests and determinations shall be paid by the Optionee. Any report obtained shall be kept confidential and disclosed only to those necessary to effect this transaction. In the event Optionee discovers an environmental condition to which it objects, Optionee shall notify Optionor of such objection. Optionor shall have the right, but not the obligation, to correct such objection within thirty (30) days of notice of such objection which correction may be acceptable to Optionee in its sole discretion.

Optionee and its agents, employees and independent contractors shall have an irrevocable license and right to enter upon the Property during normal business hours after at least 48 hours prior notice to Optionor, for engineering, inspection and other purposes, including, but not limited to, feasibility studies, environmental inspections, the establishment of boundaries, the examination of any and all utilities and/or mechanical devices or equipment contained on the Property and the examination of the interior of and exterior to buildings and such other investigations as Optionee's lender may require. All such entries shall be at the risk of Optionee and its agents, employees and independent contractors and Optionor shall have no liability arising from these parties' entries. Optionee shall restore the Property to the same condition that existed prior to such entry. Optionee hereby indemnifies and holds Optionor harmless from any and all loss, claim, actions, demand and liability, including reasonable attorneys' fees that may arise against Optionor or the Property by virtue of Optionee's or its employees and agents, actions in connection with this Agreement.

12. **Transfer Documents.** Optionor shall convey title to the Real Estate by a warranty deed acceptable to the Title Company as good and sufficient to convey marketable and insurable title to the Real Estate in the title condition provided for in this Agreement, plus the divisions to which Optionor may be entitled under Section 108 of the Land Division Act, 1967 P.A. 208; Optionor shall execute and deliver any other Closing or transfer documents that Optionee and the Title Company may reasonably require, including but not limited to an Owner's Affidavit.

13. **Closing.** Closing of this transaction shall occur by the payment of the full purchase price of Three Hundred Fifty Thousand and No/100 dollars (\$350,000.00). Closing shall be consummated within thirty (30) days of the exercise of this Option, or upon mutual agreement between Optionor and Optionee. Optionee shall have possession at time of closing.

14. **Notices.** All notices, demand and other communications hereunder shall be in writing and shall be deemed to have been duly given when physically delivered or seven days after having been deposited in the United States Mail, addressed to the recipient, as follows:

If to Optionor:

Uptown Reinvestment Corporation  
503 S. Saginaw Street, Suite 1500  
Flint, MI 48502  
Phone:  
Email: [jmartin@mott.org](mailto:jmartin@mott.org)

If to Optionee:

PK Development Group LLC  
1784 Hamilton Road  
Okemos, MI 48864  
Phone: 517-347-9662  
Email: [cpotterpin@pkhousing.com](mailto:cpotterpin@pkhousing.com)

15. **Risk of Loss.** If the Real Estate is materially damaged or destroyed by a casualty or taken, in whole or part, by eminent domain between the Effective Date and the Closing Date, then Optionor and Optionee shall negotiate in good faith to adjust the Purchase Price to reflect the change in fair market value. If the parties cannot agree on an adjusted Purchase Price within twenty (20) days following the applicable event (the "Election Period"), then Optionee shall elect, by giving written notice to Optionor, either to: (A) terminate this Agreement, in which case the Optionor shall return the Earnest Money Deposit to Optionee and this Agreement shall thereupon be null and void and neither party shall have any rights or obligations hereunder; or (B) close the transaction contemplated by this Agreement, in which case Optionee shall be entitled to any insurance proceeds less proceeds already expended to repair the Property (with payment by Optionor of any insurance deductible) or condemnation award resulting from such damage, destruction, condemnation or taking and shall have the absolute right to handle the negotiations and/or suit regarding same. If Optionee fails to notify Optionor by the expiration of the Election Period, Optionee shall be deemed to have elected option (B).

16. **Termination; Defaults and Remedies.**

A. **Optionor's Default.** If Optionor breaches or defaults in the performance of its obligations hereunder, which default is not due to the fault of Optionee, Optionee may, at its option, to the exclusion of any other remedies, (a) specifically enforce the terms of this Agreement in a court of equity or (b) terminate this Agreement and receive a refund of its Deposit, and Additional Deposit, if applicable, in which event neither party shall have any other or further liability hereunder.

B. **Optionee's Default.** Except as otherwise expressly provided herein, in the event Optionee breaches or defaults in the performance of its obligations hereunder, then provided Optionor is not also in default, Optionor shall, as its sole and exclusive remedy on account of Optionee's default, receive the Earnest Money Deposit as liquidated damages and neither party shall have any further liability or obligation to the other. Optionee acknowledges and agrees that actual damages in such event of default are uncertain in amount and difficult to ascertain and that the foregoing amount of liquidated

17. **Utilities and Survey.** Optionee assumes responsibility for the extension of utilities, roadways, surveys, permits, engineering as well as other fees pertaining to the easement of the property. Optionee agrees to extend the utility, water and sewer connection rights with the Property at no additional cost to the Optionor. Further, all property bordering the road, upon installation, will be final graded and seeded or appropriately landscaped.

18. **Miscellaneous.**

A. **Entire Agreement.** This Agreement constitutes the entire contract between the parties hereto, and may not be modified except by instrument in writing signed by the parties hereto.

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

C. **Time of Essence.** Time is of the essence in the performance by each party hereto of its obligations under this Agreement.

D. **Further Documents and Actions.** The parties hereto agree that at any time or from time to time after the execution of this Agreement and the Closing, they shall, upon the request of the other, execute and deliver such further documents and do such further actions and things as may be reasonably requested in order to fully effect the purposes of this Agreement.

E. **Assignment.** Optionee shall have the right to assign this Agreement and its rights hereunder at anytime prior to Closing without the consent of Optionor to any entity. In the event of such a transfer, the transferee shall assume the rights of the Optionee and the Optionee shall remain liable hereunder.

F. **Construction.** This Agreement shall not be construed more strictly against any one party than against any other party, merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that all of the parties

hereto and their respective counsel have contributed substantially and materially to the preparation of this Agreement.

G. **Counterparts.** This Agreement may be executed in any number of identical counterparts, any one of which may contain the signatures of less than all of the parties hereto, but all of which taken together shall constitute but one and the same agreement.

H. **Amendment.** This Agreement cannot be amended or modified except by a writing signed by all of the parties to be affected thereby.

I. **No Waiver of Rights.** Except as otherwise expressly provided herein, no failure or delay on the part of any party hereto in the exercise of any power or right hereunder shall operate as a waiver of such power or right with respect to any other term, provision or condition hereof and all rights and remedies hereunder are cumulative and shall not be deemed exclusive of any other rights or remedies provided by law.

J. **Severability.** Whenever possible, each provision of this Agreement and all related documents shall be interpreted in such a manner as to be valid under applicable law, but if any such provision is invalid or prohibited under said applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provision of the affected document.

Signature page to follow.

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement the day and year first written above.

WITNESS:

OPTIONOR:

Uptown Reinvestment Corporation, a Michigan  
nonprofit corporation

\_\_\_\_\_

By: \_\_\_\_\_

Address: 503 S. Saginaw Street, Suite 1500  
Flint, MI 48502

OPTIONEE:

PK Development Group, LLC, a Michigan limited  
liability company

\_\_\_\_\_

By: \_\_\_\_\_  
Chris Potterpin, Member

Address: 1784 Hamilton Rd  
Okemos, MI 48864

## EXHIBIT A – Legal Description of the Property

- 847 N Stevenson Street, Flint, MI 48504

Legal Description: A. MCFARLAN'S REPLAT OF PARTS OF BLOCK 3, MCFARLAN & CO.'S COTTAGE GROVE ADDITION LOTS 13 AND 14; ALSO LOT 15 EXC BEG AT A PT ON NLY LINE OF SD LOT, 0.1 FT ELY FROM NWLY COR OF SD LOT; TH SELY ALG A 30 DEG 49 MIN CURVE TO THE RIGHT TO A PT ON SLY LINE OF SD LOT, 17.9 FT WLY FROM SELY COR OF SD LOT; TH ELY ALG SD SLY LINE 17.9 FT TO SD SELY COR; TH NLY ALG ELY LINE 28.3 FT TO NELY COR OF SD LOT; TH WLY ALG NLY LINE OF SD LOT, 108.4 FT TO POB; ALSO PART OF LOT 16 DESC AS: BEG AT A PT ON NLY LINE OF SD LOT, 17.9 FT WLY FROM NELY COR OF SD LOT; TH WLY ALG SD NLY LINE, 81.80 FT; TH SLY = WITH ELY LINE OF SD LOT, 0.66 FT; TH ELY 81.81 FT TO POB, BLK A

- 841 N Stevenson Street, Flint, MI 48504

Legal Description: LOTS 16 AND 17, BLK A OF A. MCFARLAN'S REPLAT OF PARTS OF BLOCK 3, MCFARLAN & CO.'S COTTAGE GROVE ADDITION EXC BEG AT THE SE'LY COR OF SD LOT 17; TH N'LY TO THE LT ALONG A 30 DEG 49 MIN CURVE TO A PT ON N LINE OF SD LOT 16, 17.9 FT W OF W LINE OF STEVENSON ST; TH E'LY 17.9 FT ALONG SD N LINE TO W LINE OF STEVENSON ST; TH S'LY TO POB; ALSO EXC BEG ON THE N LINE OF SD LOT 16, 17.9 FT W OF THE NE COR OF SD LOT; TH W ALONG SD N LINE 81.8 FT; TH S 30 DEG 0 MIN E 0.66 FT; TH E'LY 81.81 FT TO POB; ALSO LOT 17, BLK 3 EXC S'LY 26 FT OF MCFARLAN & CO.'S COTTAGE GROVE ADDITION.



## OPTION AGREEMENT

This Option Agreement, entered into this \_\_\_\_ day of January, 2021, between **DR. AHMED ARIF**, of 1201 Flushing Road, Flint, MI 48504 (hereinafter "Optionor"), and **PK DEVELOPMENT GROUP LLC** (or its assignee), a Michigan limited liability company, of 1784 Hamilton Road, Okemos, MI 48864 and **METRO COMMUNITY DEVELOPMENT**, a Michigan nonprofit corporation, of 503 S. Saginaw Street, Suite 804, Flint, MI 48502 (hereinafter collectively the "Optionee"), is entered for the purpose of giving the Optionee exclusive rights to purchase the property described on Exhibit A ("Property"), pursuant to the Flushing Place Development Plan demonstrated by Exhibit B ("Development Plan").

1. **Term of Option.** This Option for the Property is effective from the date set forth above until the 1<sup>st</sup> day of November, 2022.

2. **Earnest Money Deposit.** Optionee shall deposit in escrow with Cinnaire title Services, LLC (the "Title Company") the sum of Five Thousand and No/100 (\$5,000.00) Dollars cash, deposited within five (5) Business Days (as defined below) of the Effective Date (the "Initial Earnest Money Deposit"). The Earnest Money Deposit shall be held in a non-interest bearing account. The Earnest Money Deposit shall be credited to the Purchase Price at closing and shall be non-refundable upon expiration of the last to expire of the contingency periods except as otherwise specifically provided. For purposes hereof, the phrase "Business Days" shall mean the days of the week other than Saturday, Sunday, or a day on which banking institutions in Detroit, Michigan are obligated or authorized by law or executive action to be closed to the transaction of normal banking business.

3. **Escrow Agent.** The Escrow Agent shall be Cinnaire Title Services LLC of 1118 S. Washington Avenue, Lansing, MI 48910.

4. **Method of Exercising Option.** To exercise this Option, the Optionee shall notify the Optionor in writing that it is exercising the Option, and shall either personally deliver to or mail by certified mail, return receipt requested, such notice to the Optionor. To be effective, said notice must be sent by the Optionee on or before the expiration date of this Option.

5. **Terms of Agreement.** Optionor and Optionee hereby agree to the following terms upon which this Option shall be contingent:

A. Optionor shall receive a 15% net gain in parking spaces for the operation of his medical offices located at 1201 Flushing Road, Flint, MI 48504 during the first phase of construction under the Development Plan. The offices are currently served by 76 parking spaces and the final site shall therefore provide 88 parking spaces for use by the Optionor. Layout and design of the new parking area shall be subject to Optionor approval.

B. Optionor shall be granted and opportunity to review and approve the final site plan and massing for the first phase of the Development Plan.



E. **Tax Credits, PILOT and Financing.** The obligations of Optionee hereunder are subject to the following: (i) Optionee's successful obtainment of LIHTC credits upon terms and conditions satisfactory to Optionee, in Optionee's sole discretion; (ii) securing the required PILOT, which shall be diligently pursued; (iii) Receipt of a Commitment from a lender acceptable to Optionee for a construction and permanent loan; and (iv) Optionors compliance with the Letter Agreement dated November 24, 2020,

D. Optionee shall timely submit its initial application to the Michigan State Housing Development Authority ("MSHDA") for the February 2021 funding round and shall diligently pursue such application.

6. **Warranties and Representations.**

A. **Mutual Representations.** Each party represents and warrants to the other that: (1) it has full power and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement; and (2) all necessary actions have been taken to authorize the signatories herein to execute and deliver this Agreement and the other documents and instruments contemplated by this Agreement.

B. **Inducement.** Each party makes the representations and warranties made by it in order to induce the other to enter into this Agreement.

C. **Optionor's Representations and Warranties.** Optionor represents and warrants that each of the following are true as of the Effective Date and will be true as of the date of Closing and makes these representations and warranties with the understanding that each of said representations and warranties is material, notwithstanding any investigations, inspections or examinations made by or on behalf of Optionee, and has been relied upon by Optionee in connection herewith and shall survive the Closing of any sale made pursuant to this Agreement and the delivery of the warranty deed and other closing documents. Optionor shall indemnify, defend and hold Optionee and its members, partners, officers, directors, employees and agents harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties and damages, (including reasonable attorneys' fees) arising out of, resulting or related in any manner to a breach of any of these representations and warranties by Optionor.

1. **Litigation.** Optionor has no actual knowledge of any litigation, claim, governmental proceeding or investigation of any kind or nature pending or threatened, or any orders, judgments of any court relating to Optionor or the Property, or against Optionor's title to or right to possess the Property and Optionor has no knowledge or reason to believe that anyone other than Optionor has any interest or right whatsoever in the Property, except as disclosed in the title commitment.

2. **Other Claims.** Except as otherwise disclosed to Optionee on the Title Commitment, Optionor has received no notice and has no knowledge of any condemnation or regular or special assessment, or proceeding concerning same, affecting either the whole or any part of the Property, and no federal, state or local taxing authority has asserted any tax deficiency, lien or assessment against the Property or Optionor or any officers of Optionor.

3. Environmental Status. To the best of Optionor's knowledge, except with respect to the asbestos flooring, which has been encapsulated, Optionor has not received any notice from any applicable governmental entity or to the best of Optionor's knowledge any other person of the potential or actual existence of any hazardous material on, in, under or otherwise affecting the Property.

4. Construction Liens. Optionor represents and warrants that it has no knowledge of any claim for construction liens or of work done from which a construction lien could arise, and that all work done on the Property that could result in a construction lien has been paid or will be paid.

5. Ownership. To the best of Optionor's knowledge, it is the fee owner of the Property. Optionor has not granted, and shall not grant prior to closing, any option or rights of first refusal to third parties to acquire or purchase any interest in any of the Property that may impede Optionor's performance under this Agreement or remain outstanding after the Closing.

6. Bankruptcy. As of the Effective Date, there are no attachment, execution or assignment for the benefit of creditors or voluntary proceedings in bankruptcy or under other debtor relief law pending, contemplated by, or (to Optionor's knowledge) threatened against Optionor, or otherwise affecting all or any of the Property, other than any such action against an individual tenant. Optionor will, at closing, reaffirm this representation.

7. Condemnation. Optionor has not received any notice and has no actual knowledge of any pending or threatened condemnation or similar proceeding affecting any of the Property, or any pending public improvements in or adjoining any of the Property that could in any manner affect any of the Property.

8. Right to Possession. To the best of Optionor's knowledge, no person, firm, or corporation has a right to possession or is in possession of the Property or any portion thereof, as a lessee or tenant of Optionor or otherwise except as shown on the leases, rent roll and title report.

9. Optionor is not a foreign person as defined in Section 1445(f) (3) of the Internal Revenue Code and Regulations promulgated thereunder, which Optionor shall so certify at Closing.

Whenever a representation is qualified by the phrase "to Optionor's best knowledge" or by words of similar import, the accuracy of such representation shall be based solely on the actual knowledge without independent investigation or inquiry.

D. Optionee's Representations and Warranties. Optionee represents and warrants that each of the following are true as of the Effective Date and will be true as of the date of Closing and makes these representations and warranties with the understanding

that each of said representations and warranties is material, notwithstanding any investigations, inspections or examinations made by or on behalf of Optionor, and has been relied upon by Optionor in connection herewith and shall survive the Closing of any sale made pursuant to this Agreement and the delivery of the warranty deed and other closing documents. Optionee shall indemnify, defend and hold Optionor and its members, partners, officers, directors, employees and agents harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties and damages, (including reasonable attorneys' fees) arising out of, resulting or related in any manner to a breach of any of these representations and warranties by Optionee.

1. Authority. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) be in violation of Optionee's organizational documents; (ii) conflict with or result in a breach of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Optionee; or (iii) constitute a breach of any agreement to which Optionee is a party or by which Optionee is bound.

2. OFAC. Each of Optionee and those persons and entities having any direct or indirect ownership interest in Optionee is: (i) not a "blocked" person listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and all modifications thereto or thereof (as used herein, the "**Annex**"); (ii) in full compliance with the requirements of the Patriot Act and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**"); (iii) operated under policies, procedures and practices, if any, that are in compliance with the Patriot Act; (iv) not in receipt of any notice from the Secretary of State or the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Act; (v) not listed as a "Specially Designated Terrorist" or as a "blocked" person on any lists maintained by the OFAC pursuant to the Patriot Act or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of the OFAC issued pursuant to the Patriot Act or on any other list of terrorists or terrorist organizations maintained pursuant to the Patriot Act; (vi) not a person who has been determined by competent authority to be subject to any of the prohibitions contained in the Patriot Act; and (vii) not owned or controlled by or now acting and or will in the future act for or on behalf of any person named in the Annex or any other list promulgated under the Patriot Act or any other person who has been determined to be subject to the prohibitions contained in the Patriot Act. All capitalized words and phrases and all defined terms used in the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 13224 effective September 24, 2001 (collectively referred to as the "**Patriot Act**") are incorporated into this Section.

7. Contents of Real and Personal Property. Optionor shall retain ownership of all contents of the structures located on the Property and any personal property therein. Any contents

or personal property left on the property when Optionee takes possession shall be considered abandoned by Optionor. Optionor acknowledges that the structures will be demolished by Optionee shortly after closing and Optionor agrees to hold Optionee harmless for any loss of contents of the structures or personal property located on the Property when Optionee takes possession.

8. **Title.** Upon the execution of this Option Agreement, the Optionor shall have fifteen (15) days to provide a title commitment from the Escrow Agent in the amount of the Purchase Price insuring title in a form acceptable to Optionee. Optionor shall provide a fee simple title policy at closing and shall pay for the cost of said policy. If Optionor cannot provide marketable or insurable title, and/or the right to lease the Property in a form acceptable to Optionee, then Optionee shall be entitled to void this agreement.

8. **Assignment.** The Optionee has the sole right to assign this Option to any entity designated by Optionee without Optionor's consent.

9. **Taxes and Assessments.** All real estate taxes as of the Closing Date, shall be prorated as of date of Closing.

10. **Optionee's Right to Rezone.** Optionor agrees that the Optionee shall have the right during the Option period to apply for whatever municipal approvals are necessary to utilize the property for its intended use and that the Optionor shall support, and cooperate with any such approvals by Optionee.

11. **Site Inspection Rights:** Upon reasonable notice to Optionor, Optionee, and Optionee's agents, employees, contractors and consultants, shall have access to the Property to conduct such inspections, investigations, appraisals, tests and determinations of the Property as Optionee shall desire in order to determine, in Optionee's sole opinion, that the condition of the Property is acceptable and that the Property is suitable for Optionee's intended use. The cost of any and all such inspections, investigations, appraisals, tests and determinations shall be paid by the Optionee. Any report obtained shall be kept confidential and disclosed only to those necessary to effect this transaction. In the event Optionee discovers an environmental condition to which it objects, Optionee shall notify Optionor of such objection. Optionor shall have the right, but not the obligation, to correct such objection within thirty (30) days of notice of such objection which correction may be acceptable to Optionee in its sole discretion.

Optionee and its agents, employees and independent contractors shall have an irrevocable license and right to enter upon the Property during normal business hours after at least 48 hours prior notice to Optionor, for engineering, inspection and other purposes, including, but not limited to, feasibility studies, environmental inspections, the establishment of boundaries, the examination of any and all utilities and/or mechanical devices or equipment contained on the Property and the examination of the interior of and exterior to buildings and such other investigations as Optionee's lender may require. All such entries shall be at the risk of Optionee and its agents, employees and independent contractors and Optionor shall have no liability arising from these parties' entries. Optionee shall restore the Property to the same condition that existed prior to such entry. Optionee hereby indemnifies and holds Optionor harmless from any and all loss, claim, actions, demand and liability, including reasonable attorneys' fees that may arise against Optionor or the Property by virtue of Optionee's or its employees and agents, actions in connection with this Agreement.

12. **Transfer Documents.** Optionor shall convey title to the Real Estate by a warranty deed acceptable to the Title Company as good and sufficient to convey marketable and insurable title to the Real Estate in the title condition provided for in this Agreement, plus the divisions to which Optionor may be entitled under Section 108 of the Land Division Act, 1967 P.A. 208; Optionor shall execute and deliver any other Closing or transfer documents that Optionee and the Title Company may reasonably require, including but not limited to an Owner's Affidavit.

13. **Closing.** Closing of this transaction shall occur by the payment of the full purchase price of Two Hundred Fifty Thousand and No/100 dollars (\$250,000.00). Closing shall be consummated within thirty (30) days of the exercise of this Option, or upon mutual agreement between Optionor and Optionee. Optionee shall have possession at time of closing.

14. **Closing Costs.**

A. Optionor shall be responsible for the costs of the Owners Policy title insurance; transfer tax and fifty (50%) of the closing fee charged by Escrow Agent;

B. Optionee shall be responsible for recording fees and fifty (50%) percent of the Closing Fee charged by the Escrow Agent;

14. **Notices.** All notices, demand and other communications hereunder shall be in writing and shall be deemed to have been duly given when physically delivered or seven days after having been deposited in the United States Mail, addressed to the recipient, as follows:

If to Optionor:

Dr. Ahmed Arif  
1201 Flushing Road  
Flint, MI 48504  
Phone:  
Email: aarif70@hotmail.com

If to Optionee:

PK Development Group LLC  
1784 Hamilton Road  
Okemos, MI 48864  
Phone: 517-347-9662  
Email: [cpotterpin@pkhousing.com](mailto:cpotterpin@pkhousing.com)

15. **Risk of Loss.** If the Real Estate is materially damaged or destroyed by a casualty or taken, in whole or part, by eminent domain between the Effective Date and the Closing Date, then Optionor and Optionee shall negotiate in good faith to adjust the Purchase Price to reflect the change in fair market value. If the parties cannot agree on an adjusted Purchase Price within twenty (20) days following the applicable event (the "Election Period"), then Optionee shall elect,

by giving written notice to Optionor, either to: (A) terminate this Agreement, in which case the Optionor shall return the Earnest Money Deposit to Optionee and this Agreement shall thereupon be null and void and neither party shall have any rights or obligations hereunder; or (B) close the transaction contemplated by this Agreement, in which case Optionee shall be entitled to any insurance proceeds less proceeds already expended to repair the Property (with payment by Optionor of any insurance deductible) or condemnation award resulting from such damage, destruction, condemnation or taking and shall have the absolute right to handle the negotiations and/or suit regarding same. If Optionee fails to notify Optionor by the expiration of the Election Period, Optionee shall be deemed to have elected option (B).

16. **Termination; Defaults and Remedies.**

A. **Optionor's Default.** If Optionor breaches or defaults in the performance of its obligations hereunder, which default is not due to the fault of Optionee, Optionee may, at its option, to the exclusion of any other remedies, (a) specifically enforce the terms of this Agreement in a court of equity or (b) terminate this Agreement and receive a refund of its Deposit, and Additional Deposit, if applicable, in which event neither party shall have any other or further liability hereunder.

B. **Optionee's Default.** Except as otherwise expressly provided herein, in the event Optionee breaches or defaults in the performance of its obligations hereunder, then provided Optionor is not also in default, Optionor shall, as its sole and exclusive remedy on account of Optionee's default, receive the Earnest Money Deposit as liquidated damages and neither party shall have any further liability or obligation to the other. Optionee acknowledges and agrees that actual damages in such event of default are uncertain in amount and difficult to ascertain and that the foregoing amount of liquidated

17. **Utilities and Survey.** Optionee assumes responsibility for the extension of utilities, roadways, surveys, permits, engineering as well as other fees pertaining to the easement of the property. Optionee agrees to extend the utility, water and sewer connection rights with the Property at no additional cost to the Optionor. Further, all property bordering the road, upon installation, will be final graded and seeded or appropriately landscaped.

18. **Miscellaneous.**

A. **Entire Agreement.** This Agreement constitutes the entire contract between the parties hereto, and may not be modified except by instrument in writing signed by the parties hereto.

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

C. **Time of Essence.** Time is of the essence in the performance by each party hereto of its obligations under this Agreement.

D. **Further Documents and Actions.** The parties hereto agree that at any time or from time to time after the execution of this Agreement and the Closing, they shall, upon the request of the other, execute and deliver such further documents and do such further

actions and things as may be reasonably requested in order to fully effect the purposes of this Agreement.

E. **Assignment.** Optionee shall have the right to assign this Agreement and its rights hereunder at anytime prior to Closing without the consent of Optionor to any entity. In the event of such a transfer, the transferee shall assume the rights of the Optionee and the Optionee shall remain liable hereunder.

F. **Construction.** This Agreement shall not be construed more strictly against any one party than against any other party, merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that all of the parties hereto and their respective counsel have contributed substantially and materially to the preparation of this Agreement.

G. **Counterparts.** This Agreement may be executed in any number of identical counterparts, any one of which may contain the signatures of less than all of the parties hereto, but all of which taken together shall constitute but one and the same agreement.

H. **Amendment.** This Agreement cannot be amended or modified except by a writing signed by all of the parties to be affected thereby.

I. **No Waiver of Rights.** Except as otherwise expressly provided herein, no failure or delay on the part of any party hereto in the exercise of any power or right hereunder shall operate as a waiver of such power or right with respect to any other term, provision or condition hereof and all rights and remedies hereunder are cumulative and shall not be deemed exclusive of any other rights or remedies provided by law.

J. **Severability.** Whenever possible, each provision of this Agreement and all related documents shall be interpreted in such a manner as to be valid under applicable law, but if any such provision is invalid or prohibited under said applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provision of the affected document.

Signature page to follow.

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement the day and year first written above.

WITNESS:

OPTIONOR:

\_\_\_\_\_

By: \_\_\_\_\_

Dr. Ahmed Arif

Address: 1201 Flushing Road  
Flint, MI 48504

OPTIONEE:

PK Development Group, LLC, a Michigan limited liability company

\_\_\_\_\_

By: \_\_\_\_\_

Chris Potterpin, Member

Address: 1784 Hamilton Rd  
Okemos, MI 48864



EXHIBIT A – Legal Description of the Property

820 Frost Street, Flint, MI 48504 –

McFARLAN & CO'S COTTAGE GROVE ADDITION LOTS 27, 28, 29 AND 30, BLK 3  
PROPERTY EXEMPT FROM AD VALOREM TAXES AND ASSESSED ON THE SPECIAL  
ACT ROLL PURSUANT TO PA 261 OF 2003 EXPIRING 12/30/2021

823 Stevenson Street, Flint, MI 48504 –

McFARLAN & CO.'S COTTAGE GROVE ADDITION LOT 15, BLK 3

829 Stevenson Street, Flint, MI 48504 –

McFARLAN & CO.'S COTTAGE GROVE ADDITION SLY 48 FT OF LOT 16, BLK 3

833 Stevenson Street, Flint, MI 48504 –

McFARLAN & CO.'S COTTAGE GROVE ADDITION NLY 18 FT of LOT 16; ALSO SLY 26  
FT OF LOT 17, BLK 3