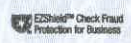


THE WHITSETT GROUP, LLC
333 N. PENNSYLVANIA ST. STE. 100
INDIANAPOLIS, IN 46204
(317) 264-1833



20-1403/740

2/7/2017

PAY TO THE ORDER OF City of Charlotte

\$ ****100.00**

One Hundred and 00/100*****
DOLLARS

City of Charlotte



[Handwritten Signature]

AUTHORIZED SIGNATURE

MEMO

⑈001362⑈ ⑆074014035⑆ 10116379⑈

Security features. Details on back.

SITE PLAN APPLICATION

City of Charlotte Site Plan Application

Date 2-7-17 Per Section _____

Applicant's Name TWG Development, LLC

Address 333 N. Pennsylvania Street, Suite 100, Indianapolis, IN 46204

Telephone Day: 317-602-1329 Evening 317-408-7333

Owners Name Reorganized Church of Jesus Christ of Latter Day Saints

Architect or Engineers Name Mike Thomas

Address: 333 N. Pennsylvania Street, Indianapolis, IN 46204 (Suite 100)

Telephone: 317-264-1833

Address and location of property 225 S. Washington Street AND
234 S. Oliver Street, Charlotte, MI

Legal description of property (attach drawing where appropriate) (Survey attached)
Parcel ID Numbers: 200-000-033-170-00 AND 200-000-033-190-00

Proposed use of property 50 units of senior housing; 3-story new construction
building (see attached plans)

Interest in property (check one):

Owner Option Tenant
LOI attached

Current zoning (check one):

R-1 R-2 RT RM-1 RM-2 MH
 OS-1 B-1 B-2 B-3 CBD PD
 IRO I-1 I-2 P-1

Current use (check one):

Residential Vacant Office Industrial
 Institutional Commercial *-Site is partially vacant; a small portion is occupied by Church offices*

The Planning Commission meets on the first Tuesday of the Month at 7:00 p.m. in the City Hall Council Chambers. To make a request for a Public Hearing before the Planning Commission, file this application with the City of Charlotte, attention Ginger Terpstra, City Clerk, 111 East Lawrence, Charlotte, MI 48813. This application must be received no later than the date set by the City Clerk, and must include the following attachments:

1. **\$100.00 Fee**
2. 15 copies of the site plan addressing all of the check list items. A copy of the check list is attached.

Please contact this department concerning the dates for submittal. Any questions concerning these requirements should be directed to Bryan Myrkle at (517) 543-8853. The applicant or a representative must be present in order for the Commission to consider the request.

G. Myrkle _____ 2-7-17
Signature of Applicant Date

Site Plan Application

TWG is requesting preliminary site plan approval for the redevelopment proposed at 225 S. Washington Street and 234 S. Oliver Street in Charlotte, MI.

TWG has provided, to the best of our ability at this time, the information necessary to preliminarily approve the site plan, with the understanding that additional information and attachments will be required at a later date for final site plan approval.

The following items from the site plan approval checklist have been provided:

1. Application form and appropriate fee as adopted by the City Council (\$100).
2. 2 full-size copies of the site plan and 12 11x17 copies of the site plan.
3. A scale of not less than 1 inch = 50 feet if the subject property is less than 3 acres.
4. Date, north point, and written and graphic scale.
5. Legal description; lot line dimensions, tax parcel numbers, and the address of the site
 - a. 225 S. Washington Street, Parcel ID number, 200-000-033-170-00
 - b. 234 S. Oliver Street, Parcel ID number, 200-000-033-190-00
6. Name and address of the property owner of record, developer, and any architect, planner, designer, engineer or other licensed professional responsible for the preparation of the site plan.
 - a. See attached application.
7. Vicinity map, showing the location of the site, in relation to the nearest cross street and section corner

General information about the site provided:

1. Zoning district of the site and all adjacent properties
 - a. See attached Charlotte zoning map
2. Land use of the site and all adjacent properties within 100 feet of the subject property
 - a. See attached Charlotte zoning map
3. Proposed use of the site
 - a. See attached rezone narrative
4. Parcel area in acres or square feet, including property line dimensions
 - a. 96,976.92 square feet
 - b. 2.2262 acres
5. The location of all existing structures on the property and within 100 feet of the subject property (only buildings, drives and parking areas provided at this time in the attached site maps)

General information about the proposed development on the site:

1. The location of all proposed structures on the subject property
2. Ground floor and total floor area to be constructed
3. Number of buildings
4. Building height, in feet and number of floors
 - a. 3 floors
5. Number of parking spaces

6. Location of trash storage areas
7. Proposed location of signage
8. Proposed building address number
 - a. 225 S. Washington Street, Charlotte MI

Information about the proposed and existing transportation network:

1. Proposed sidewalks and pedestrian paths (locations provided at this time)

SITE MAPS

**FULL SIZE SITE PLANS AND 11X17 SITE PLANS
DELIVERED SEPARATELY**

TWG Development
 333 N. Pennsylvania St.
 Suite 100
 Indianapolis, IN 46204
 317-252-0220

DEVELOPER

SEAL

PROJECT TITLE

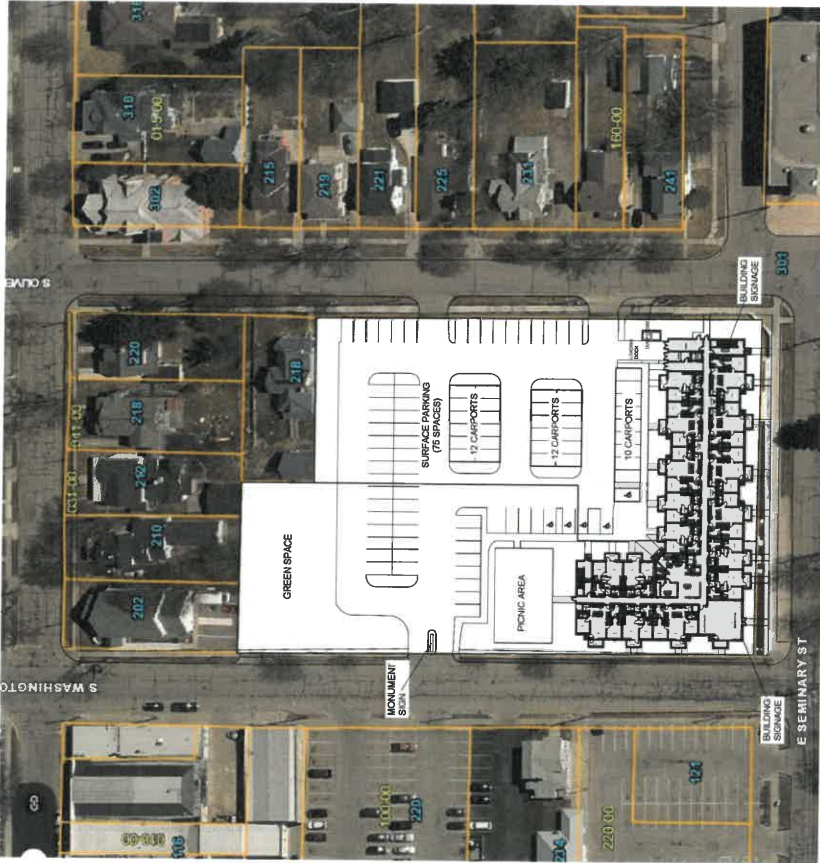
CHARLOTTE APARTMENTS
 225 WASHINGTON ST.
 CHARLOTTE, MI

REVISIONS	DATE

DATE: 04/11/2017
 PROJECT NO: 200
 DRAWN BY: M.T.
 CHECKED BY: M.T.

ARCHITECTURAL
 SITE PLAN

ASP.001



Type	SqFt (Area)	Character Area SqFt			Unit Count	N
		First Floor	Second Floor	Third Floor		
1st Floor	500	0	0	0	24	100%
2nd Floor	500	0	0	0	24	100%
3rd Floor	500	0	0	0	24	100%
4th Floor	500	0	0	0	24	100%
5th Floor	500	0	0	0	24	100%
6th Floor	500	0	0	0	24	100%
7th Floor	500	0	0	0	24	100%
8th Floor	500	0	0	0	24	100%
9th Floor	500	0	0	0	24	100%
10th Floor	500	0	0	0	24	100%
Common Area	500	0	0	0	24	100%
Building Footprint	5000	1800	1800	1800	96	100%

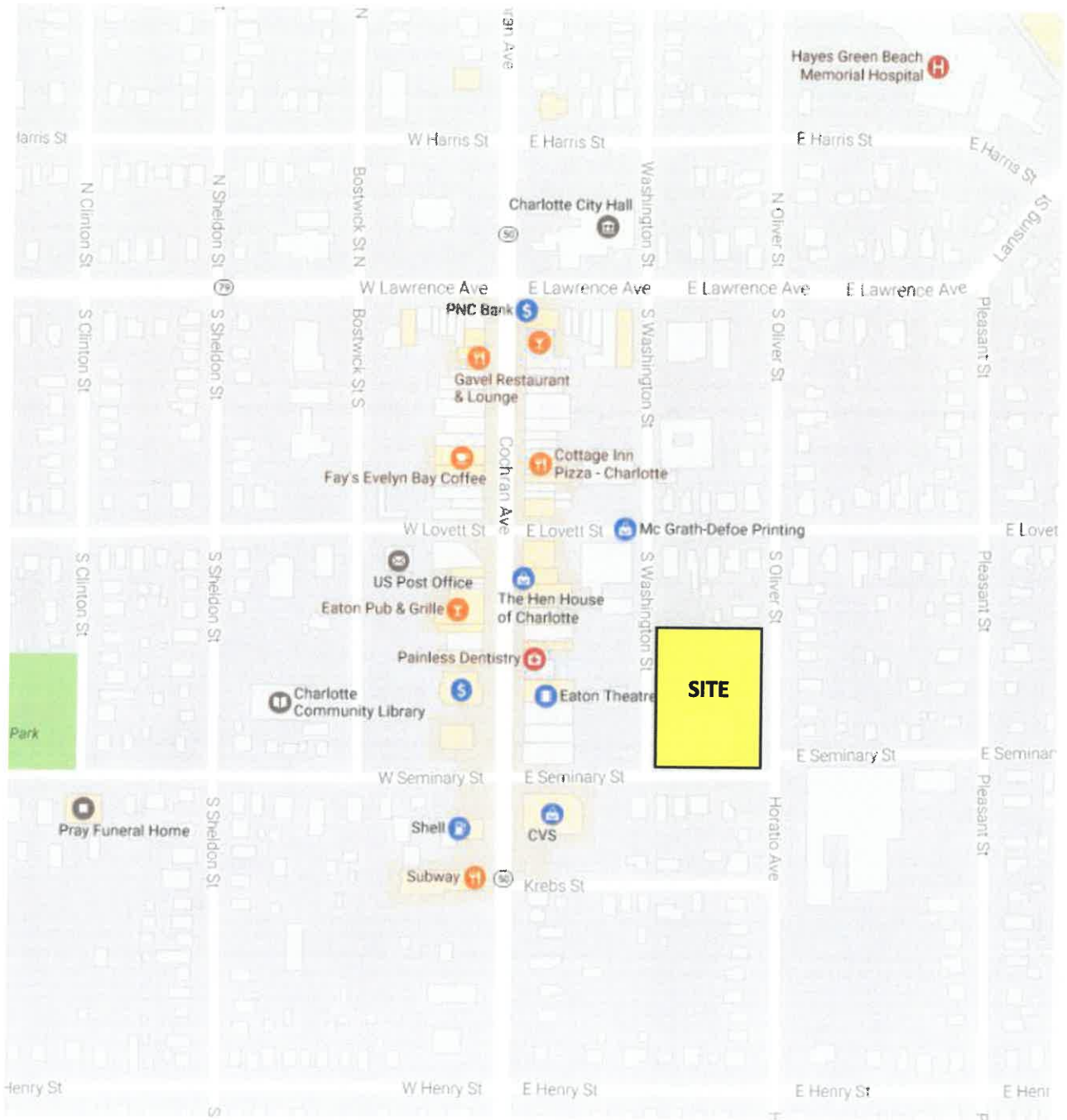
ARCHITECTURAL SITE PLAN

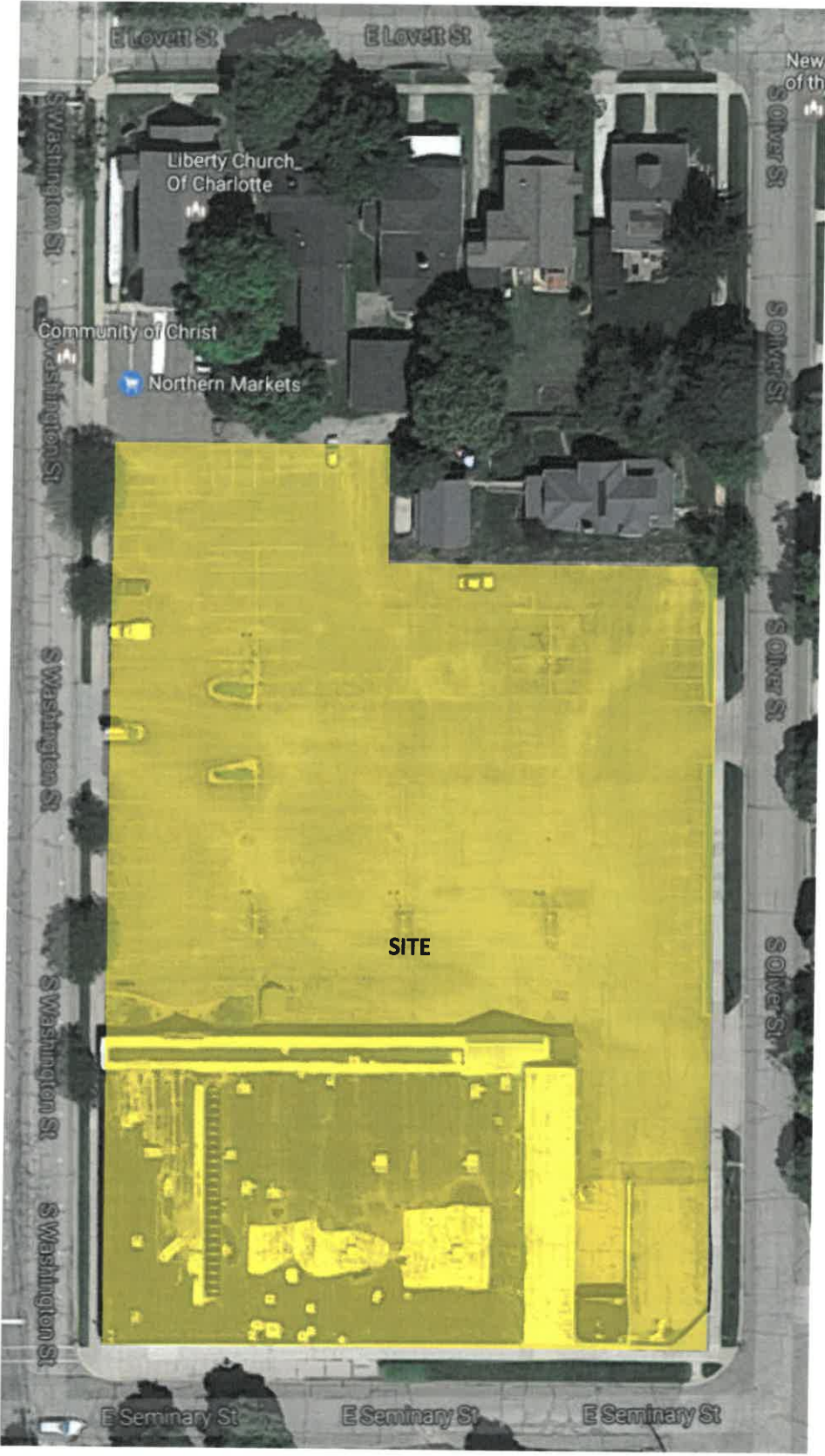
Site Map

Charlotte, Michigan

Redevelopment Site

Address: 225 S. Washington Street, Charlotte, MI







Existing vacant grocery store to be demolished



**LETTER OF INTENT TO
PURCHASE THE PROPERTY**

TWG Development, LLC

333 N. Pennsylvania St., Suite 100

Indianapolis, IN 46204

T 317.264.1833

www.twgdev.com



January 16, 2017

**Todd Kosta
CBRE/Martin
517-319-9216**

RE: Letter of Intent to Purchase Real Estate located in Charlotte, Michigan

Mr. Kosta:

On behalf of TWG Development, LLC ("Purchaser"), this Letter of Intent outlines some of the terms and conditions under which Purchaser and Reorganized Church of Jesus Christ of Latter Day Saints ("Seller") would enter into negotiations for the purchase and sale of the Real Estate described below.

- 1. REAL ESTATE:** 225 S. Washington Street, Charlotte, Michigan 48813 *and*
234 S. Oliver Street, Charlotte, Michigan 48813
- 2. PURCHASE PRICE:** \$449,000.00
- 3. AS-IS:** Purchaser would accept the Property at Closing in its "as-is" condition.
- 4. INITIAL DUE DILIGENCE PERIOD:**

Purchaser shall have until the later of (a) July 31, 2017, and (b) the business day after the date the Michigan State Housing Development Authority announces its award of low income housing tax credits, which is anticipated to be on or about July 31, 2017 (the "Due Diligence Period"), to obtain zoning approvals, if necessary, for Purchaser's intended development and use, execute satisfactory Letter of Intents for debt and equity in Purchaser's sole discretion, to obtain an adequate award of low-income housing tax credits for Purchaser's use, to inspect, perform studies on the Real Estate and to determine if the Real Estate is suitable for Purchaser's use, including but not limited to utility and environmental studies, review of title and survey. Purchaser would be entitled to terminate the Purchase Agreement for any or no reason by written notice delivered to Seller prior to the expiration of the Due Diligence Period.

Purchaser agrees to provide copies of all due diligence documents/reports obtained by Purchaser with respect to the Real Estate.
- 5. EARNEST MONEY:** \$25,000.00 earnest money deposit ("Earnest Money") payable by Purchaser to First American Title Insurance Company (Attn: Monica Chavez) (the "Title Company") within 5 business days after the full Purchase Agreement is signed, to be held in escrow and which shall be applicable to the Purchase Price. If Purchaser fails to terminate the Purchase Agreement by written notice to Seller prior to expiration of the Due Diligence Period, the Earnest Money would become non-refundable but applicable to the Purchase Price.

6. EXTENSION OF DUE DILIGENCE

None.

7. CLOSING DATE:

A time mutually agreeable to Purchaser & Seller, but not later than 60 days after completion of the Due Diligence Period.

8. BROKER:

Purchaser and Seller represent they have not engaged a real estate broker other than Todd Kosta of CBRE/Martin, and that no other real estate commission would be due in connection with the transaction.

9. PURCHASE AGREEMENT:

Seller and Purchaser plan to promptly proceed to discuss the terms of a Purchase Agreement containing all essential terms and conditions of this transaction contemplated herein. Seller shall provide Purchaser with a draft Purchase Agreement. This Letter of Intent shall impose no legal obligation of any kind upon the parties, except as set forth in Section 10. Purchaser and Seller acknowledge that this proposal is not a Purchase Agreement and that it is intended only as the basis for the preparation of a Purchase Agreement and is non-binding on both parties. The Purchaser and Seller may terminate this Letter of Intent and discussions at any time for any reason.

10. CONFIDENTIALITY:

Seller and Purchaser agree to use commercially reasonable efforts not to disclose or permit the disclosure of the existence of the terms of the Letter of Intent, or the transaction contemplated herein, to any other person, without the other party's consent; provided, each party may disclose this Letter of Intent and the transaction contemplated herein to its attorneys, financing partners, consultants or other agents, or as required by law or by any governmental agency.

11. ENTIRE AGREEMENT:

This Letter of Intent constitutes the entire understanding between the parties regarding the transaction contemplated herein, and all prior correspondence, discussions and offers between the parties concerning the transaction are superseded by this Letter of Intent.

If the provisions of this Letter of Intent are acceptable to Seller, have this Letter of Intent signed and dated by an authorized signatory of Seller and returned to the undersigned on or before **5:00 PM EST on 1/18/2017**, after which this Letter of Intent shall automatically expire.

PURCHASER

SELLER

TWG Development, LLC

By: 

By: 

Its: President

Its: Pastor

Dated: 1/16/2017

Dated: 1/17/17

Tony Knoble | President
TWG Development, LLC
333 N. Pennsylvania St., Suite 100
Indianapolis, IN 46204

REZONE REQUEST

TWG Development, LLC
333 N. Pennsylvania Street, Suite 100
Indianapolis, IN 46204
Tel 317-252-1833
www.twgdev.com



FEBRUARY 2, 2017

To Whom It May Concern,

This petition for re-zoning desires to rezone two (2) total parcels in Charlotte, Michigan. These parcels include:

- 225 S. Washington Street, Parcel ID number, 200-000-033-170-00 ("Parcel A")
- 234 S. Oliver Street, Parcel ID number, 200-000-033-190-00 ("Parcel B")

TWG Development, LLC currently has these two parcels under contract with the current owners, the Reorganized Church of Jesus Christ of Latter Day Saints. It is requested that parcels A and B which are currently zoned B-1, local business district, be zoned CBD, central business district. TWG requests that CBD be amended to allow for multi-family apartments. Due to the location of the parcels, it is believed that the property fits the designation of CBD and the design standards of CBD should apply to this property. TWG Development is proposing the new construction of 50 affordable senior housing units, in a 3-story building. This new construction building will include one- and two-bedroom units and approximately 2,000 square feet of community space. The parking lot will include 75 surface parking spaces (5 accessible).

TWG's proposed site plan and unit floorplans are attached. The Charlotte Zoning map is also attached with our site highlighted. We look forward to presenting this proposal to the community members, Planning Commission, and the City Council.

Thank you,

A handwritten signature in blue ink, appearing to read "Elizabeth Whitsett", is written over the typed name.

Elizabeth Whitsett

Development Director
TWG Development, LLC
elizabeth@twgdev.com
317-602-1329

TWG Development
 333 N. Pennsylvania St.
 Suite 100
 Indianapolis, IN 46204
 317-252-0220

DEVELOPER

SEAL

PROJECT TITLE

CHARLOTTE APARTMENTS
 225 S WASHINGTON ST.
 CHARLOTTE, MI

REVISION NO.	DATE

REVISIONS	DATE

DATE: JAN 11, 2017
 PROJECT NO: 17-006
 DRAWN BY: MTF
 CHECKED BY: MTF

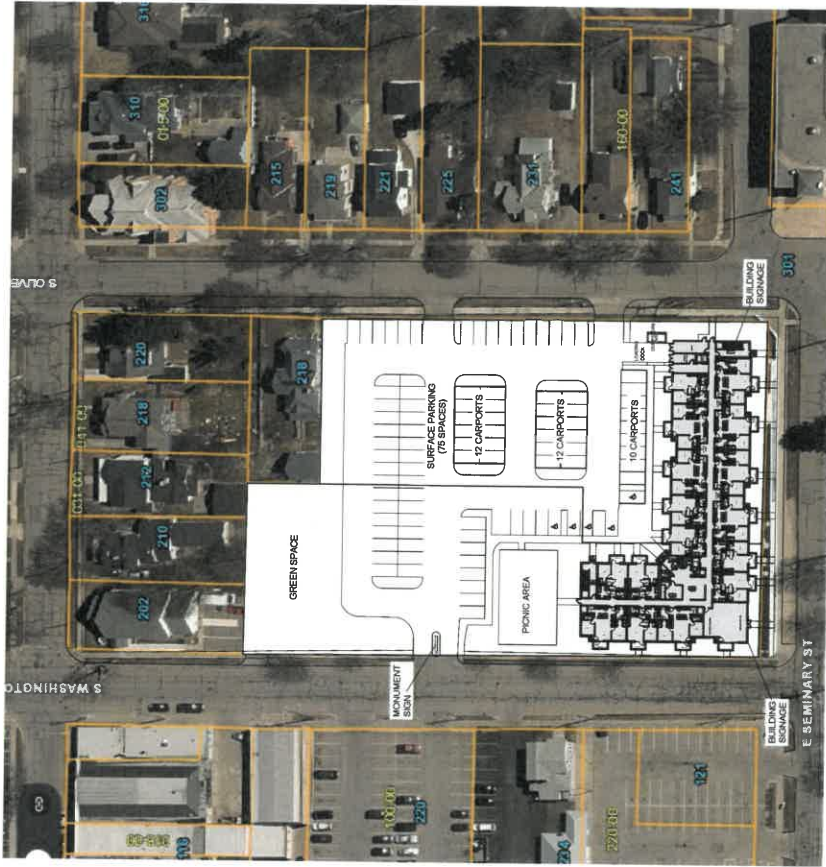
SHEET TITLE

**ARCHITECTURAL
 SITE PLAN**

SHEET NUMBER

ASP.001

Type	Charlotte Senior 50/27				Total	SQFT	%
	50/27	First Floor	Second Floor	Third Floor			
APR	8	8	8	8	24	24320	48%
CON	0	0	0	0	0	0	0%
DRIVEWAY	0	0	0	0	0	0	0%
LANDSCAPE	2042	0	0	0	2042	2042	40%
TRAILER	0	0	0	0	0	0	0%
STREET LIGHT	10	10	10	10	30	30	0%
Other	5034	4221	4221	4221	13906	13906	28%
Total	28994	18980	18980	18980	56940	56940	100%



ARCHITECTURAL SITE PLAN

TWG Development
 333 N. Pennsylvania St.
 Suite 100
 Indianapolis, IN 46204
 317-252-0220

DEVELOPER

SEAL

PROJECT TITLE

CHARLOTTE APARTMENTS
 225 S WASHINGTON ST.
 CHARLOTTE, MI

ISSUED FOR	DATE

REVISIONS	MARK DESCRIPTION	DATE

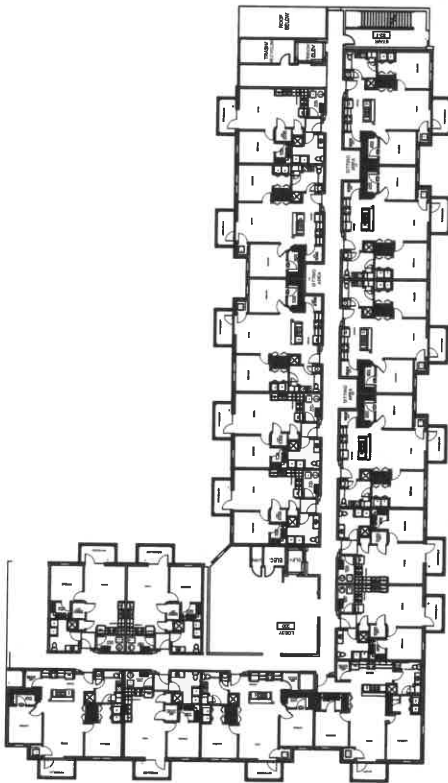
Date: JAN 11, 2017
 Project No: T1.006
 Drawn By: MUT
 Checked By: MUT

SHEET TITLE

SECOND/THIRD
 FLOOR PLAN

SHEET NUMBER

A.102



Type	SFT (Gross)	Charlotte Safety Units		Total	%
		First Floor	Second Floor		
RES.	680	8	8	16	2.35%
RETAIL	100	0	0	0	0.00%
2ND - COMMON	100	0	1	1	0.14%
3RD - COMMON	100	15	15	30	4.28%
Total		23	24	47	6.77%
Building	18664	4221	18383	14163	75.9%
Common Area		18664	18383	37047	100%

VB SECOND/THIRD FLOOR PLAN
 SCALE: 1/8" = 1'-0"

TWG Development
 333 N. Pennsylvania St.
 Suite 100
 Indianapolis, IN 46204
 317-252-0220

DEVELOPER

SEAL

PROJECT TITLE

CHARLOTTE APARTMENTS
 225 S WASHINGTON ST.
 CHARLOTTE, MI

ISSUED FOR	DATE
REVISIONS	DATE

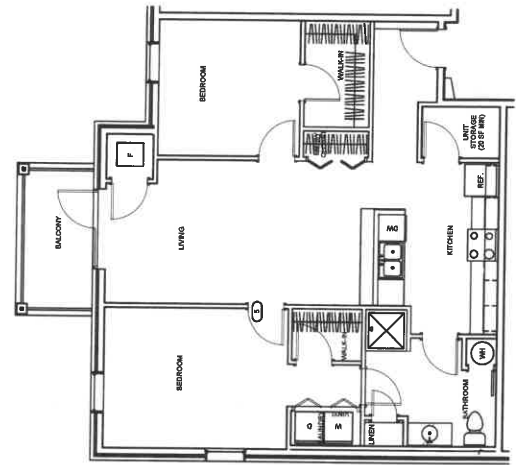
DO NOT SCALE PRINTS - USE FIGURED DIMENSIONS ONLY

Date: JUN 11, 2017
 Project No: 17-036
 Drawn By: MJT
 Checked By: MJT

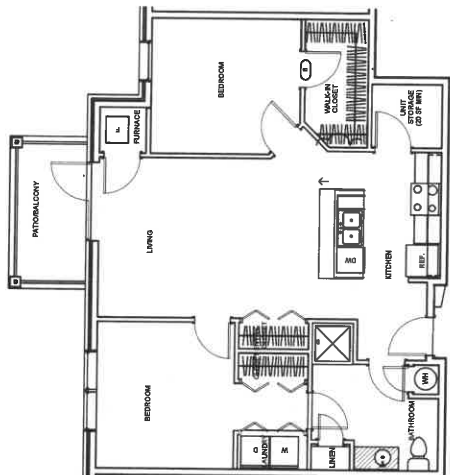
SHEET TITLE
 UNIT FLOOR PLANS

SHEET NUMBER
A.401

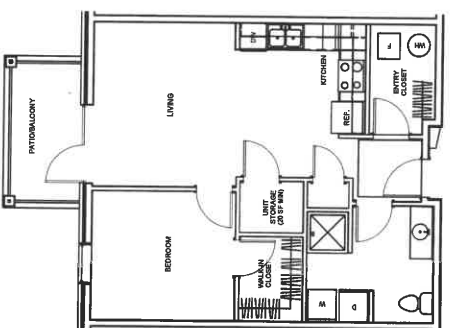
Charlotte Square Apt.		First Floor	Second Floor	Total	UNIT #	%
Type	2571 (sqm)	0	0	0	2571	100%
101	2571	0	0	2571	100%	100%
102	2571	0	0	2571	100%	100%
103	2571	0	0	2571	100%	100%
104	2571	0	0	2571	100%	100%
105	2571	0	0	2571	100%	100%
106	2571	0	0	2571	100%	100%
107	2571	0	0	2571	100%	100%
108	2571	0	0	2571	100%	100%
109	2571	0	0	2571	100%	100%
110	2571	0	0	2571	100%	100%
111	2571	0	0	2571	100%	100%
112	2571	0	0	2571	100%	100%
113	2571	0	0	2571	100%	100%
114	2571	0	0	2571	100%	100%
115	2571	0	0	2571	100%	100%
116	2571	0	0	2571	100%	100%
117	2571	0	0	2571	100%	100%
118	2571	0	0	2571	100%	100%
119	2571	0	0	2571	100%	100%
120	2571	0	0	2571	100%	100%
121	2571	0	0	2571	100%	100%
122	2571	0	0	2571	100%	100%
123	2571	0	0	2571	100%	100%
124	2571	0	0	2571	100%	100%
125	2571	0	0	2571	100%	100%
126	2571	0	0	2571	100%	100%
127	2571	0	0	2571	100%	100%
128	2571	0	0	2571	100%	100%
129	2571	0	0	2571	100%	100%
130	2571	0	0	2571	100%	100%
131	2571	0	0	2571	100%	100%
132	2571	0	0	2571	100%	100%
133	2571	0	0	2571	100%	100%
134	2571	0	0	2571	100%	100%
135	2571	0	0	2571	100%	100%
136	2571	0	0	2571	100%	100%
137	2571	0	0	2571	100%	100%
138	2571	0	0	2571	100%	100%
139	2571	0	0	2571	100%	100%
140	2571	0	0	2571	100%	100%
141	2571	0	0	2571	100%	100%
142	2571	0	0	2571	100%	100%
143	2571	0	0	2571	100%	100%
144	2571	0	0	2571	100%	100%
145	2571	0	0	2571	100%	100%
146	2571	0	0	2571	100%	100%
147	2571	0	0	2571	100%	100%
148	2571	0	0	2571	100%	100%
149	2571	0	0	2571	100%	100%
150	2571	0	0	2571	100%	100%



401 2BR UNIT PLAN - CORNER
SCALE: 1/8" = 1'-0"



402 2BR UNIT PLAN - TYP
SCALE: 1/8" = 1'-0"



403 2BR UNIT PLAN
SCALE: 1/8" = 1'-0"

PILOT REQUEST NARRATIVE

TWG Development, LLC
333 N. Pennsylvania St., Suite 100
Indianapolis, IN 46204
T 317.264.1833
www.twgdev.com



February 7, 2017

Bryan Myrkle
City of Charlotte
111 E. Lawrence Ave.
Charlotte, MI 48813
bmyrkle@charlottemi.org

RE: PILOT Program for the Edmond Senior Apartments

Dear Mr. Myrkle,

On behalf of TWG Development, LLC ("TWG"), please consider the attached executive summary, development summary, and financial projections as a formal request for the PILOT that TWG is seeking on the proposed housing development, the Edmond Senior Apartments ("development"), located at 225 S. Washington Street, Charlotte, Michigan. As you know, we plan to submit one 9% tax credit applications to MSHDA on April 3, 2017 for the development.

Should you have any questions or require additional information regarding this request, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth Whitsett".

Elizabeth Whitsett | Development Director
TWG Development, LLC
333 N. Pennsylvania St., Suite 100
Indianapolis, IN 46204
O 317.602.1329
E elizabeth@twgdev.com

EXECUTIVE SUMMARY

TWG is seeking to establish one (1) PILOT program to help offset operating expenses for the proposed multi-family developments by reducing the property tax burden on the developments.

The redevelopment involves the following development:

1. **New Construction.** The development involves the demolition of an existing vacant grocery store building and the new construction of a three-story senior apartment building. The development is outlined in the attached site plan. TWG will be submitting a 9% LIHTC application to MSHDA on April 3, 2016 for this new construction development.

TWG is seeking a 10% PILOT for each of the above mentioned project.

TWG has the above mentioned parcels under contract with the current owners, The Reorganized Church of Jesus Christ of Latter Day Saints ("Seller").

The attachments to this request include:

1. Site Plan
2. Development financial projections
3. Proposed PILOT language, drafted by TWG, for review by the City of Charlotte

DEVELOPMENT SUMMARY

The new construction project will involve the demolition of the vacant grocery store building and the new construction of a three-story apartment building. The development project will seek 9% LIHTC credits to create a total of 50 affordable senior housing units. Rents will be at the 30%, 40%, 50%, and 60% AMI levels. This project will include: 24 one-bedrooms and 26 two-bedrooms. There will be approximately 3,000 square feet of lobby and amenity space, 34 carport parking spaces, and 75 surface parking spots (6 accessible).

Residents of the development will have key fob security to the entrances of the building. The amenity space will include a fitness center, business center, and lounge area. Unit features include a dishwasher, frost free refrigerator, garbage disposal, microwave, self-clean oven, mini-blinds, patio/balcony, and internet hookups. Washers and dryers will be included in each unit, with a community laundry room included in the building.

The attached financial projections include the Pro Forma Net Operating Income. This document provides the unit mix, unit sizes, utility allowances, and projected net rental income for the Adaptive Use Project. The 10% PILOT is utilized on the property tax line item, calculated by taking 10% of the difference between the gross revenue of the project and utility costs for the property.

The Edmond Senior Apartments

Site Plan

TWIG Development
 333 N. Pennsylvania St.
 Suite 100
 Indianapolis, IN 46204
 317-252-0220

DEVELOPER

SEAL

PROJECT TITLE

CHARLOTTE APARTMENTS
 225 S WASHINGTON ST.
 CHARLOTTE, MI

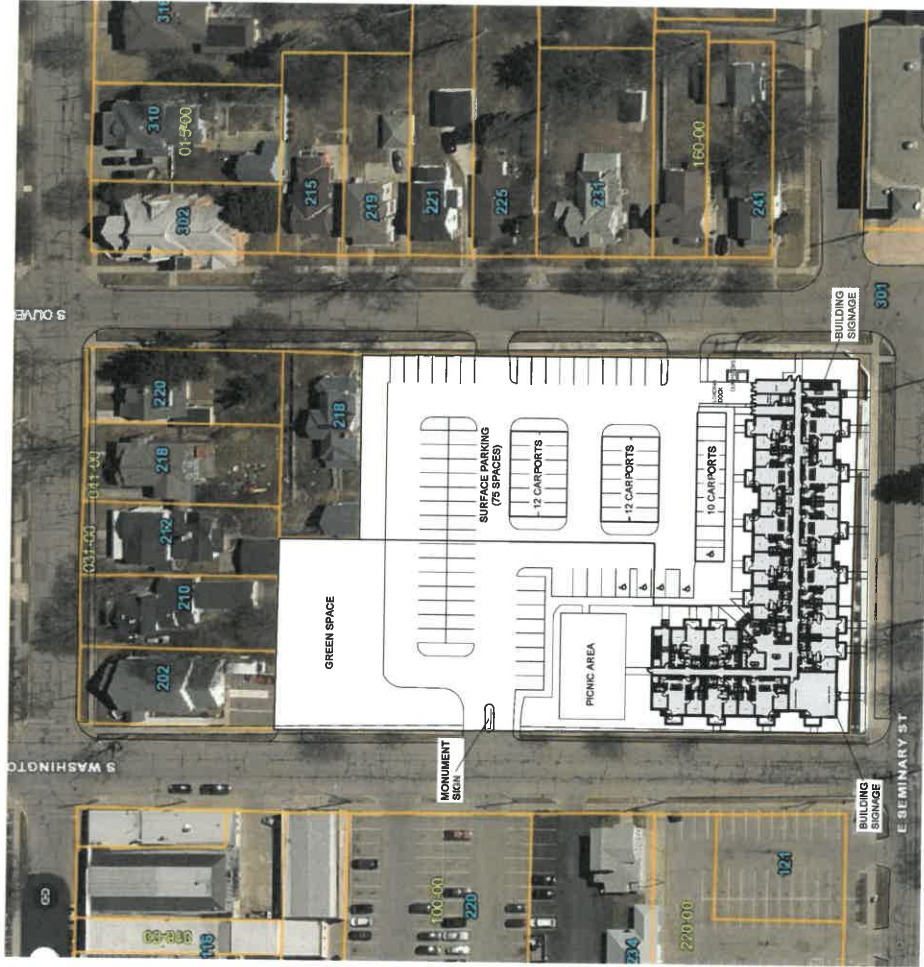
REVISIONS
 DATE

REVISIONS
 DATE

DATE: JAN. 11, 2017
 Project No.: 17-008
 Drawn By: MJT
 Checked By: MJT

SHEET TITLE
 ARCHITECTURAL
 SITE PLAN
 SHEET NUMBER

ASP.001



Type	Quantity			UNIT	%
	50 FT Ground	First Floor	Second Floor		
300	600	0	0	600	100%
200	0	0	0	0	0%
100	0	0	0	0	0%
Common Area	500	0	0	500	100%
Building Footprint	1854	1893	1893	5640	100%

ARCHITECTURAL SITE PLAN
 SCALE 1" = 40'-0"

The Edmond Senior Apartments
Financial Projections



PRO FORMA NET OPERATING INCOME
 Charlotte
 50 Units / Charlotte, MI

Bedrooms	Bathrooms	Square		Median Income %	RA Type	Gross Rent	Utility Allowance	Low Income			Market		Rental Income		
		Feet	Units					Maximum	Asking	Advantage	Rent	Advantage	Monthly	Annual	
1	1.0	680	5	30%	No	369	(88)	281	281	0.0%			1,405	16,860	
1	1.0	680	3	40%	No	492	(88)	404	404	0.0%			1,212	14,544	
1	1.0	680	4	50%	No	615	(88)	527	527	0.0%			2,108	25,296	
1	1.0	680	12	60%	No	738	(88)	650	620	4.8%			7,440	89,280	
2	1.0	960	5	30%	No	443	(118)	325	325	0.0%			1,625	19,500	
2	1.0	960	3	40%	No	591	(118)	473	473	0.0%			1,419	17,028	
2	1.0	960	4	50%	No	738	(118)	620	620	0.0%			2,480	29,760	
2	1.0	960	12	60%	No	886	(118)	768	700	9.7%			8,400	100,800	
2	1.0	1,042	2	60%	No	886	(118)	770	700	10.0%			1,400	16,800	
			50											27,489	329,868

Vacancy 8.00% (2,199) (26,389)

NET RENTAL INCOME

25,290 303,479

OTHER INCOME

	Units	Per Unit		Vacancy	Monthly	Annual	
		Monthly	Annual				
Misc. Income	1	250.00	3,000	0.00%	0	250	3,000
Carport	34	25.00	300	0.00%	0	850	10,200

EFFECTIVE GROSS INCOME

22.00 0 26,390 316,679

OPERATING EXPENSES

	Per Unit		Total	
	Monthly	Annual	Monthly	Annual
Property Management Fee - EGI (6.00%)	31.67	380	1,583	19,001
Property Taxes - 10% PILOT - Variable	51.66	620	2,583	30,997
Payroll - Variable	131.67	1,580	6,583	79,000
Administrative and Leasing - Variable	66.67	800	3,333	40,000
Repairs and Maintenance - Variable	25.00	300	1,250	15,000
Grounds Maintenance - Variable	16.67	200	833	10,000
Utilities - Variable	33.17	398	1,658	19,900
Insurance - Variable	16.67	200	833	10,000
Financial Costs - Variable	2.50	30	125	1,500
TOTAL OPERATING EXPENSES	375.66	4,508	18,783	225,398

Replacement Reserves

25.00 300 1,250 15,000

NET OPERATING INCOME

7,607 76,281

HARD DEBT SERVICE

3,793 45,519

NET CASH FLOW

2,564 30,762

HARD DEBT SERVICE COVERAGE RATIO

1.68

The Edmond Senior Apartments

Proposed PILOT Language

PAYMENT IN LIEU OF TAXES AGREEMENT

This Payment in Lieu of Taxes Agreement ("Agreement") is made effective _____, 2017 (the "Effective Date") by and between The Edmond Senior Apartments Limited Dividend Housing Association Limited Partnership, its successors and assigns ("Sponsor") and the City of Charlotte ("City").

RECITAL

This Agreement between the City and the Sponsor is for the purposes of providing for a service charge in lieu of taxes for qualified low income multi-family dwelling units in a Housing Development Project known as The Edmond Senior Apartments located in Charlotte, Michigan.

NOW, THEREFORE, in consideration of the mutual promises made herein, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

- 1. The Edmond Senior Apartments.** It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low to moderate income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966) Public Act 346 of 1966, being M.C.L.A. §§ 125.1401 et seq., as amended. The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing is a public necessity, and as the city 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; further, that the continuance of the provision of the chapter, for tax exemption and the service charge in lieu of taxes during the period contemplated in this chapter are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption. Pursuant to Resolution ____ adopted by the City of Charlotte on _____, 2017, the City has authorized the entering into of this agreement.

The City acknowledges that the Sponsor, as defined in this Agreement, is a limited dividend housing association limited partnership and has offered, subject to receipt of an allocation under the Low Income Housing Tax Credit (LIHTC) Program and a Federally Aided Mortgage (as defined in the Act), to construct, own, and operate the Housing Development Project to be known as The Edmond Senior Apartments located in the City to serve persons 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 service in lieu of all ad valorem property taxes.

2. Definitions.

- a. "Act" means The State Housing Development Authority Act, being Public Act 346 of 1966 of the State of Michigan, being M.C.L.A. §§ 125.1401 et seq., as amended.
- b. "Annual Shelter Rent" means the total collections during an agreed annual period from or paid on behalf of all Low Income Persons (as defined below) of the Housing Development Project representing rent or occupancy charges, exclusive of charges for Utilities, as defined in this Agreement.
- c. "Authority" means the Michigan State Housing Development Authority.
- d. "City" means the City of Charlotte, a Michigan municipal corporation.
- e. "Commencement of Construction" means the commencement of the construction of the Housing Development, as herein defined.
- f. "Housing Development Project" means the project being constructed at the Housing Development Location, consisting of a building to include qualified low income residential apartment units including approximately fifty (50) units reserved for Low Income Persons and such recreational, industrial, communal, and educational facilities as the Sponsor and/or Authority determine will improve the quality of the Housing Development Project as it relates to housing for Low Income Persons.
- g. "Housing Development Location" means Lots 7, 8, 11, 12, 15, 16, West 30 feet 6 inches of Lot 17 the dividing line being the center of a block wall, and vacated alley South of Lot 15 and West 1 /2 of vacated alley adjacent to Lots 7, 8, 11, 12, & 15 Cummings Subdivision to the original plat, City of Charlotte, Michigan. Lots 9, 10, 13, 14, East 22 feet 1 /5 inches of Lot 17 the dividing line being the center of a block wall, Lots 18, 19, 20 and vacated alley South of Lot 14 and East 1 /2 of vacated alley adjacent to Lots 9, 10, 13, 14 of the Cummings Subdivision to the original plat, City of Charlotte, Michigan.
- h. "Low Income Persons" means Low Income Persons eligible to move into the Housing Development Project to the Act and Authority.
- i. "Sponsor" means The Edmond Senior Apartments Limited Dividend Housing Association Limited Partnership, 333 North Pennsylvania Street, Suite 100, Indianapolis, Indiana, who shall act as the owner of the Housing Development Project.

- j. "Utilities" means charges for fuel, water, heat, sanitary sewer service and/or electrical service furnished to the occupants which are paid by the Housing Development Project.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be senior housing which will be financed or assisted pursuant to the Act. It is further determined that The Edmond Senior Apartments is of this class.

3. Establishment of Annual Service Charge in Lieu of Property Taxes.

- a. Subject to the conditions in this Agreement, the Housing Development Project and the Housing Development Location shall be exempt from all property taxes for the period specified in Section 7 of this Agreement below. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the Housing Development Project in reliance upon the enactment and continuing effect of this Agreement and the qualification of the Housing Development Project for the exemption from all property taxes and a payment in lieu of taxes as established in this Agreement. Therefore, in consideration of the Sponsor's offer to construct, own and operate the Housing Development Project, the City agrees to accept payment of an annual Service Charge (as defined below) for public services in lieu of all ad valorem property taxes as provided for in Section 3(c) of this Agreement below, provided the Sponsor furnishes proof, on an annual basis upon request by the City, that the number of qualified low income units in the Housing Development Project have not increased, decreased, or been altered in any material form unless the City has otherwise amended the provisions of this Agreement.
- b. In addition to the annual certified verification requirement in subsection (a) of this Section 3, the tax exemption shall commence upon the acquisition of the Housing Development Location by the Sponsor. The Sponsor of the Housing Development Project eligible for the exemption, or the City as appropriate and necessary, shall file with the local assessing officer a certified notification of the exemption, which shall be in an affidavit form by either the Authority, the City and/or the Sponsor as appropriate. The completed affidavit form first shall be submitted to the Authority for certification by the Authority that the Housing Development Project is eligible for the exemption. The Sponsor and/or the City shall file or cause to be filed the certified notification of the exemption with the local assessing as soon as practicably possible.

- c. The annual service charge shall be equal to **ten percent (10%)** of the difference between the Annual Shelter Rent Actually collected and Utilities (the “Service Charge”).
4. **Limitation on the payment of the annual service charge.** Notwithstanding Section 3, the service charge to be paid each year in lieu of taxes for any part of the Housing Development Project that is tax exempt and occupied by persons other than Low Income Persons shall be equal to the full amount of the taxes that would otherwise be due and payable on that portion of the Housing Development Project if the project were not tax exempt.
5. **Contractual Effect.** Notwithstanding the provisions of § 15(a)(5) of the Act, to the contrary, a contract between the city and the sponsor with the authority as third party beneficiary under the contract to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this chapter.
6. **Payment of service charge.** The Service Charge as provided for under this Agreement shall be payable in the same manner as general property taxes are payable to the City, except that the annual payment shall be paid on or before July 1 of the year following the year upon which such Service Charge is calculated.
7. **Duration; Commencement of Construction.** The property tax exempt status of the Housing Development Project acknowledged by this Agreement shall remain in effect and shall not terminate so long as the Housing Development Project continues to be used for Low Income Persons as provided for in this Agreement, but not to exceed fifty (50) years, provided however, if the construction of the Housing Development Project does not commence **within one (1) year of the Authority’s LIHTC April 1, 2017 funding round award date, which is anticipated to be on or about July 1, 2017, or, if the Sponsor materially changes the scope or purpose of the Housing Development Project** without the consent of the people of the City, by and through its representatives, and in accordance with the requirements of the law, this Agreement shall automatically expire, terminate and be of no further effect.
8. **Severability.** The various sections and provisions of this chapter shall be deemed to be severable, and should any section or provision of this chapter be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the chapter as a whole or any section or provision of this chapter other than the section or provision so declared to be unconstitutional or invalid. It is hereby amplified that it is the city's intent to accept a payment in lieu of taxes only for the purpose of the Housing Development Project. If the property is ever used for another purpose, or if this chapter is unacceptable to

any state agencies, this chapter is declared null and void.

9. **Effective Date.** This Agreement shall take effect on the Effective Date.
10. **Counterparts.** This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

SPONSOR:

The Edmond Senior Apartments a Limited Dividend
Housing Association Limited Partnership, a
Michigan limited partnership

By: The Edmond Senior Apartments GP, LLC, an
Indiana limited liability company, its general partner

By: TWG GP, LLC, an Indiana limited liability
company, its sole member

By: TWG Development, LLC, an Indiana limited
liability company, its sole member

By: _____
Name: _____
Title: _____

CITY:

City of Charlotte, a municipal corporation

By: _____
Name: _____
Title: _____