

CITY OF DEARBORN HEIGHTS

REQUEST FOR PROPOSALS PACKAGE FOR CITY ACTION PRESERVATION PROGRAM (“CAPP”)

The City of Dearborn Heights, Michigan (hereafter “City”) is now accepting quotes/proposals for its City Action Preservation Program (“CAPP”). The City is seeking responses to this Request for Proposals Package for City Action Preservation Program (“CAPP”) (hereafter “RFP Package”) from qualified persons or entities to act as developers as part of the CAPP starting in approximately July 2018.

This RFP Package shall be available at the City of Dearborn Heights Comptroller’s Office located at 6045 Fenton, Dearborn Heights, MI 48127 between the hours of 9:00am and 5:00pm, Monday – Thursday. This RFP Package is also available online at (www.govbids.com>> “The Michigan MITN System”) or by contacting the City of Dearborn Heights Comptroller’s Office at (313) 791-3440.

Those interested in submitting a quote/proposal in response to this RFP Package are strongly encouraged to contact Director Jihad (“Joe”) A. Hachem, Community and Economic Development Department, 26155 Richardson, Dearborn Heights, Michigan 48127, Office: 313-791-3510 or by email at jhachem@ci.dearborn-heights.mi.us.

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SECTION B
INSTRUCTIONS TO QUOTERS

Definitions

For the purposes of this RFP Package, the following terms have the following meanings:

“City” means the City of Dearborn Heights, Michigan.

“Agreement” means the written, contractual agreement between the City and a Developer related to the Developer’s participation in the CAPP as sought by this RFP Package where the agreement is acceptable to the City and otherwise conforms to the requirements of this RFP Package.

“Developer” is a Quoter selected to participate in the CAPP in response to this RFP Package that also enters into the written agreement with the City as required by this RFP Package. As noted later in this RFP Package, it is anticipated that the City will select more than one such Developer.

"Property" means the *select* real property to be acquired by the City in or around July 2018 which in turn will be redeveloped and resold pursuant to the CAPP. The Property will be acquired by the City based on its right to acquire tax foreclosed property pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1). As noted later in this RFP Package, it is anticipated that not all real property the City acquires pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1) will be Property under the CAPP.

"Quote" means a proposal or quote that is or that is intended to be responsive to this RFP Package.

"Quoter" means a person or entity who submits, has submitted, or who has intended to submit a "Quote".

"Quoting Documents" means the documents that a Quoter is to submit to the City in order to submit a Quote that is responsive to this RFP Package.

"RFP Package" means this Request for Proposals Package for City Action Preservation Program ("CAPP").

Quoter Representations

1.1. By submitting a Quote, the Quoter represents that: (a) the Quoter has read, acknowledges, and understands the contents of this RFP Package; (b) has read, acknowledges, and understands the contents of the Quoter's Quote; (c) has submitted the Quote in conformity with this RFP Package; (d) agrees that all costs incurred in the preparation and presentation of this Quote or in any way related to it shall be wholly absorbed by the Quoter; (e) agrees that all supporting documentation shall become the property of the City; and (f) acknowledges, agrees, and understands that the confidentiality of the Quote and of all information submitted to the City relative to it cannot be assured due to the requirements of the Michigan Freedom of Information Act and the City's Charter.

Quoting Documents

1.2. Quoters shall use complete sets of Quoting Documents in preparing Quotes. The City does not accept or assume any responsibility for errors, omissions, or misinterpretations resulting from the use of partial sets of Quoting Documents. Quoters are to submit detailed Quotes. The Quotes shall comply with this RFP Package. All items in this this RFP Package must be completed with a response. A Quote that does not respond to any required items may be classified as irregular, unresponsive, and/or incomplete. The Quote must follow the format outlined in this RFP Package. Supplemental information may be included. Failing to follow these requirements may cause the Quote to be rejected as irregular, non-responsive, and/or incomplete.

1.3. The City is making copies of the Quoting Documents available on the above terms only for the purpose of obtaining Quotes. This does not confer a license or grant for any other use.

1.4. Quoter shall notify the City of any and all ambiguities, inconsistencies, or errors, which Quoter may discover upon examination of this RFP Package or the Quoting Documents.

1.5. Any interpretations, corrections, or changes of the Quoting Documents shall be made by Addendum and Quote Memorandum. Interpretations, corrections, or changes of the Quoting Documents made by any other manner will not be binding on the City; and Quoters should not rely upon such interpretations, corrections, and changes.

1.6. Addenda and a Quote Memorandum will be sent to all who are known by the City to have a complete set of Quoting Documents. However, it shall be the Quoter's responsibility to make inquiry as to the changes or addenda issued. All such changes or addenda shall become part of the contract and all Quoters shall be bound by such changes or addenda.

1.7. All Quotes shall be submitted IN DUPLICATE on the forms included in this RFP Package and as otherwise noted herein. This RFP Package is posted on-line at the MITN site, on: www.govbids.com. At a minimum, Quoters are expected to submit a Quote consisting of the following documents and things in the following order: GENERAL FORM OF PROPOSAL (Appendix 1 of this RFP Package); Non-Collusion Affidavit (Appendix 2 of this RFP Package); a written proposal responsive to this RFP Package (including information responsive to what is sought in SECTION D SPECIFIC SPECIFICATIONS); CAPP Developer Acquisition, Redevelopment and Resale Application (Appendix 3 of this RFP Package); and a certified or cashier's check in the amount of Three Thousand Dollars (\$3,000) payable to the City as a security or bid deposit (as described in and required by paragraph 1.21 below). Supplemental and other information is to be included as part of the Quote; and it should be inserted after the written proposal responsive to this RFP Package.

1.8. Where so indicated by the makeup of the Quote form, sums shall be expressed in both words and figures, and in case of discrepancy between the two, the amount written in words shall govern.

1.9. All interlineations, alterations, or erasures shall be initialed by the signer of the Quote.

1.10. Each copy of the Quote shall include the legal name of the Quoter and a statement that the Quoter is a sole proprietor, a partnership, a corporation, or whatever type of legal entity that the Quoter is. If the Quote is submitted on behalf of a legal entity that is to be formed, then the Quote should note this; and the Quote should also provide information and assurances to the City indicating why the City should rely on the Quote from this entity to be formed. For example, the Quote could include a personal guarantee from the person submitting the Quote on behalf of the entity to be formed that the entity will be formed and will abide by the terms of any Agreement that may arise from the acceptance of the Quote.

1.11. Each copy of the Quote shall be signed by a person legally authorized to bind the Quoter to a contract or by a person who can provide information and assurances to the City consistent with paragraph 1.10 above that the Quoter will be formed and will be bound by the terms of any Agreement that may arise from the acceptance of the Quote. A Quote by a corporation or other corporate entity shall (a) indicate the state of its incorporation or organization and (b) have the corporate seal affixed. A Quote submitted by an agent shall have a current power of attorney attached certifying the agent's authority to bind the Quoter to a contract.

1.12. Quotes received shall abide by all documents that have been prepared for the purpose of this RFP Package. Only Quotes that conform to this requirement shall be deemed "responsive."

1.13. Quotes will only be accepted on the full scope of the services to be performed as outlined in this RFP Package. If any deviation from the full scope of services to be performed is included in the Quote as an alternate, this deviation must be noted in the Quote. Quoters are cautioned that any alternate quote, unless requested by the City or resulting from any changes, insertions, or omissions to this RFP Package, may be considered non-responsive, and in the sole discretion of the City, may result in rejection of the Quote.

1.14. A Quote may not be modified, withdrawn, or cancelled by the Quoter after the stipulated time period and date designated for receipt of Quotes, and each Quoter agrees to this by in submitting a Quote.

1.15. A Quote and any other documents submitted with the Quote shall be enclosed in a sealed envelope. The envelope shall be addressed to "Comptroller Linda Vance, City of Dearborn Heights, Attention: Matthew Paul, 6045 Fenton, Dearborn Heights, MI 48127". On the outside of the sealed envelope containing the Quote and any other documents submitted with the Quote, the Quoter shall also have legibly written or typed "CITY ACTION PRESERVATION PROGRAM QUOTE" as well as the Quoter's name and address.

Submission of Quotes

1.16. Quotes are due on or before April 30, 2018 at 3:00 p.m. at the City of Dearborn Heights Comptroller's Office located at 6045 Fenton, Dearborn Heights, MI 48127. As noted in paragraph 1.15

above, the sealed envelope is to be addressed to “Comptroller Linda Vance, City of Dearborn Heights, Attention: Matthew Paul, 6045 Fenton, Dearborn Heights, MI 48127”. However, to the extent that a Quoter seeks to have a Quote delivered to the City by hand, by courier, or by any similar means, the Quote should be delivered to the attention of Matthew Paul of the City of Dearborn Heights’s Comptroller’s Office at 6045 Fenton, Dearborn Heights, MI 48127.

1.17. If a Quote is sent by mail, the sealed envelope containing the Quote and any other documents submitted with the Quote shall be enclosed in a separate mailing envelope with the notation “OPEN—CITY ACTION PRESERVATION PROGRAM QUOTE ENCLOSED” on the front of the envelope.

1.18. Quoters assume the risk of any method of delivery chosen. The City assumes no responsibility for delays caused by problems with delivery.

1.19. **No Quotes are to be sent via facsimile.** Quotes that are sent via facsimile will be rejected.

1.20. A Quote may not be modified, withdrawn, or cancelled by the Quoter after it has been submitted to the City, and each Quoter agrees to this by in submitting a Quote.

1.21. **Each Quote must be accompanied by a certified or cashier’s check payable to the City in the amount of Three Thousand Dollars (\$3,000) as a security or bid deposit.**

1.22. Each Quote must have a fully executed Non-Collusion Affidavit (as set forth in Appendix 2 of this RFP Package) attached to it or made a part of it.

1.23. To receive consideration, Quotes shall be received prior to the specified deadline for submission as stated at paragraph 1.16 above. No late Quotes will be accepted.

1.24. A Quote is deemed to have been received by the City when it is in the actual, physical possession of the City.

1.25. The City reserves the right to postpone the due date or time of Quotes for its own convenience.

1.26. Quoters acknowledge that all Quotes submitted in response to this RFP Package are considered to be under evaluation until contract award. The City and those affiliated with it are restricted from giving any information relative to the Quotes or the “progress” of the evaluation process.

Opening of Quotes

1.27. The properly identified and submitted Quotes received on time will be publicly opened at the Dearborn Heights City Hall, 6045 Fenton, Dearborn Heights, MI 48127 immediately following the April 30, 2018 at 3:00 p.m. deadline for the submission of Quotes.

Acceptance of Quote and Award of Contract

1.28. The City reserves the right in its sole discretion to reject any or all Quotes, to reject a Quote not accompanied by data or documents required by this RFP Package, and/or to reject a Quote which is in any way incomplete, non-responsive, and/or irregular.

1.29. The City reserves the right to accept any and all Quotes and to waive any irregularities or formalities with respect to any Quote, which it shall deem to be most favorable to the interests of the City.

1.30. No Quote shall be accepted from, and no contract shall be awarded to, any person, corporation, firm, or other type of entity that is in arrears or is in default to the City upon any debt or contract, that is in default as surety or otherwise, or that has failed to perform faithfully any previous contract with the City.

1.31. It is the intent of City to award an Agreement to the three (3), most appropriate, most responsive, and most responsible Quoters, provided each Quote has been submitted in accordance with the requirements of this RFP Package. However, the City may award an Agreement to less than three (3) Quoters or more than three (3) Quoters if it determines in its sole discretion that such awards are in the City's best interests. As part of this determination, the City will consider the substance of each Quote submitted in accordance with the requirements of this RFP Package, the qualifications of each Quoter, each Quoter's track record as a developer in any other municipality's program that is similar to the CAPP, the financial wherewithal of the Quoter, and other things related to the favorability of the Quote. However, given the standards to be used for evaluating Quotes and the possibility of differing judgments being made by City decision-makers with respect to how different Quotes and Quoters meet or do not meet these standards, it is anticipated that the City's process for choosing each Developer will be more involved than the City simply opening Quotes and making its decision based on the Quotes as submitted.

1.32. It is anticipated and expected that the City will meet with and interview the Quoter or Quoters who appear to have submitted the best Quote or Quotes and/or who appear most capable of entering into a mutually beneficial relationship with the City. In the sole discretion of the City, the interview(s) may be conducted by representatives of the City, City's Mayor (hereafter "Mayor"), and/or the City Council of City (hereafter "City Council"). Any Quoter selected for any such interview must be available for the interview and prepared to discuss the Quote it submitted and its qualifications to be selected by the City.

1.33. In its sole discretion, the City may request further information from a Quoter to assist the City in evaluating the Quoter and/or its Quote.

1.34. The City reserves the right to negotiate separately with any Quoter when such action is considered in the City's best interest. Subsequent negotiations may be conducted, but such negotiations will not constitute acceptance, rejection, or a counter-offer on the part of the City.

1.35. In case of an error by a Quoter relating to its Quote or any potential contract stemming from the Quote, the City may, in its sole discretion, upon presentation of a written explanation from the Quoter substantiating the error, reject the Quote and select another Quoter or other Quoters to be the Developer or the Developers. However, any error may be deemed by the City, in its sole discretion, to be a default leading to the forfeiture or partial forfeiture of the security or bid deposit required at paragraph 1.21 above.

1.36. Subject to any possible veto by the Mayor, and subject further to the requirements of paragraph 1.37 below, the City Council will select the Developer or Developers by adopting a motion or motions to do so. Any Quoter being considered for selection as a Developer by the City Council must be available for the meeting wherein the possible selection is to take place and must also be prepared to discuss the Quote it submitted or had submitted on its behalf, and its qualifications. Notwithstanding anything else stated in this RFP Package, the City, in its sole discretion, reserves the right not to award any Agreement whatsoever based on the Quotes submitted even if one or more of the Quotes is accepted for consideration and could otherwise be acceptable to the City for purposes of awarding an Agreement.

1.37. The City Council's acceptance of a Quote and selection of any Developer shall be contingent and conditioned upon the City and the Developer's approval and execution of an Agreement. The Agreement will be a written agreement acceptable to the City that conforms to the requirements of this RFP Package. Among other things, and without limiting the scope of the preceding sentence, the Agreement must conform to the requirements of this paragraph 1.37. The acceptance of a Quote and selection of a Developer shall not be final and shall be subject to change in the sole discretion of the City until such time as the City and the Developer have approved and executed the Agreement. The Agreement shall contain and/or incorporate all provisions and appendices that are required by this RFP Package. Further, the Agreement shall contain and/or incorporate all material parts of the Developer's Quote and/or information submitted to the City by the Developer or on the Developer's behalf relative to the Developer's Quote. Moreover, the Agreement shall be subject to the review and approval of the City's Corporation Counsel.

1.38. If a Quoter who is selected to be a Developer shall refuse or neglect to execute an Agreement within ten (10) days of the date that an Agreement is ready to be executed in the opinion of the City's Corporation

Counsel, then the City may, at its option and in its sole discretion, declare the security or bid deposit required per paragraph 1.21 above to be forfeited and may retain the same as liquidated damages for such neglect or refusal. Thereafter, at its option and in its sole discretion, the City may also rescind the approval of the Quoter as a Developer and may further select another Quoter as a Developer.

SECTION C
GENERAL TERMS AND CONDITIONS

An Agreement shall contain and/or incorporate provisions consistent with all of the provisions contained in APPENDIX 4 GENERAL FORM AND SUBSTANCE OF AGREEMENT (hereafter “Appendix 4”). However, the form and/or substance of these provisions may or will be modified (a) to the extent they are not stated where they have yet to be determined, (b) to reflect the agreement of the City and a Developer with respect to particular terms based on the Developer’s Quote or otherwise, and (c) to be in appropriate form and substance as contractual provisions. With respect to the appropriate form and substance of a contractual provision, the opinion of the City’s Corporation Counsel shall be deemed final.

In addition to the provisions required by Appendix 4, an Agreement may have to contain additional general provisions as well as provisions related to the Developer’s proposal that is responsive to what is sought in SECTION D SPECIFIC SPECIFICATIONS. Also, additional text may need to be included to put all of the provisions together to form an appropriate legal agreement. For example, the section numbers may have to be modified. With respect to the appropriate form and substance of any such additional contractual provision and/or additional text, the opinion of the City’s Corporation Counsel shall be deemed final.

SECTION D
SPECIFIC SPECIFICATIONS

I. BACKGROUND

The City acquires real property in the City based on its right to acquire tax foreclosed property pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1). To more appropriately handle the acquisition, redevelopment, and resale of some of this real property, the City has adopted a City Action Preservation Program (“CAPP”). The primary objective of the CAPP is to acquire *select* real property in or around July 2018 which in turn will be redeveloped and resold pursuant to the CAPP.

It is anticipated that not all of the real property that the City acquires pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1) will be Property under the CAPP. In its sole discretion, the City will have the right to withhold any property from the CAPP that it deems appropriate.

As part of the CAPP, the City intends to select five (5) Developers. In collaboration with the City, the Developers will acquire, redevelop, and resell the Property.

The CAPP is a new reinvestment program whereby the Property is to be acquired, redeveloped, and resold. The Property is expected to be tax-foreclosed, single family residential structures that are to be acquired from the Wayne County, Michigan Treasurer's Office. (The Property is *not* expected to include any real property that is not residential property.) The Property is primarily vacant with the potential that some of the properties may be occupied.

The City has issued this RFP Package to assist it in selecting the Developers from among Quoters submitting Quotes that are responsive to this RFP Package.

II. ITEMS TO BE ADDRESSED BY QUOTERS IN THEIR PROPOSALS

Quoters are expected to address all of the following items in their proposals to the City that are submitted in response to this RFP Package. That is, Quoters are to address their qualifications to meet the following requirements, standards and criteria that will be used relative to the acquisition, redevelopment and resale of the Property pursuant to the CAPP.

However, Quoters are also encouraged to provide other pertinent information if they so choose.

Acquisition and Limitation Details:

An Agreement will be entered into between the City and each successful Quoter that is to be a Developer. A successful Quoter that is to be a Developer will be required to have a minimum \$25,000.00 per acquired home in the form of a line of credit from an approved financial institution or cash in escrow with an approved title company no later than 10 days prior to Agreement execution. Failure to provide proof of an established line of credit or escrow account to City will result in the disqualification of the Quoter if the failure is known prior to execution of an Agreement or to termination of a Developer's Agreement if the failure is known after an Agreement was executed.

All funds used by Developers must comply with CAPP Program guidelines.

The initial acquisition of the Property from the Wayne County Treasurer will be funded by the City. However, each Developer will reimburse the City for the acquisition costs to the City of each home property that the Developer is to acquire within five (5) business days of the City paying the Wayne County Treasurer for the property. At this time, the Developer will also pay the City (A) an administration fee of \$2,500 for each home property that the Developer is to acquire and (B) the amount necessary to satisfy any outstanding City charges or liens the City has against the property that arose after the date of the tax foreclosure judgment in the tax foreclosure case leading to the City's acquisition of the Property. By participating in the CAPP Program, each Developer agrees to be contractually bound (A) to satisfy any such fees, charges, and liens and (B) not to contest any such fees, charges, or liens.

Provided the Developer has successfully reimbursed the City for the City's acquisition costs, has paid the administration fees, and has also satisfied any outstanding City charges or liens the City has against the property as required in the preceding paragraph, the City will transfer the home properties selected by the Developer to the Developer via a Quit Claim Deed prepared by the City within five (5) business days of the City receiving the initial Quit Claim Deed transferring ownership of the property from the Wayne County Treasurer to the City. The Developer shall have each such Quit Claim Deed provided to it by the City recorded with the Wayne County Register of Deeds. The Developer shall pay all recording fees for the deeds.

In order to show that they can meet these requirements, Quoters are required to submit documents as part of their Quote showing levels of funding available for the CADD Program and sources of that funding. Quoters are also required to provide financial information including any financial defaults by the Quoter within the last three (3) years.

Quoters must also provide information and documents demonstrating that they can meet the other financial requirements of the CAPP.

Home Properties Constituting the "Property"; Selections by Developers:

It is anticipated that at least some of the real property that the City acquires pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1) will not be Property under the CAPP. In its sole discretion, the City will have the right to withhold any property from the CAPP that it deems appropriate.

Non-residential property will not be part of the Property under the CAPP.

In general, the City will avoid making owner-occupied home properties part of the Property under the CAPP. If a Developer obtains an owner-occupied home property under the CAPP, then the Developer—and not the City—will be responsible for displacement of owner occupants.

Developers will be able to select from the available pool of home properties that are part of the Property under the CAPP using the following process.

Developer(s) shall acquire a minimum of eight (8) and up to a maximum of twelve (12) single-family homes that will be rehabilitated, redeveloped, and resold. This requirement may be waived or modified by the City depending on the number of home properties included in the Property.

If there is only one Developer, then the Developer will be responsible for the rehabilitation, redevelopment, and resale of all of the home properties constituting the Property pursuant to the CAPP.

Developer(s) shall acquire the single-family homes that will be rehabilitated, redeveloped, and resold through a random, rotational process. That is, the order in which the Developer(s) select homes will be established randomly with the method of randomization being determined in the sole discretion of the City's Community and Economic Development Department ("CEDD"). After the order of the Developer(s) is established, each Developer will then select one (1), home property. Thereafter, using the same order that was previously established randomly, each Developer will then select one (1), home property until all home properties constituting the Property are assigned to a specific Developer.

Liens- In General and Those to Ensure Compliance with the CAPP :

Developer(s) shall be responsible for any charges or liens against the acquired single-family homes that will be rehabilitated, redeveloped, and resold through the CAPP. The Developer(s)' responsibility for these charges and liens relates to any charges or liens that arise after the date of the tax foreclosure judgment in the tax foreclosure case leading to the City's acquisition of the Property and up through the successful closing of the City-approved sales transaction for a home property.

Any such City charges or liens on such properties that exist at the time of the City's initial acquisition of the properties from the Wayne County Treasurer must be satisfied by Developer(s) prior to the transfer of the properties to Developer(s). These charges and liens include, but are not necessarily limited to, charges and liens for unpaid water charges, for unpaid grass-cutting charges, for municipal civil infraction judgments through the 20th District Court, and any other such City charges and liens. Developer(s) are responsible for contacting appropriate City departments (e.g. the City's Treasurer's Office, Department of Ordinance Enforcement, and Water Department) to ascertain the amounts of any such charges and liens as well as the possibility that further charges and liens may be imposed on the properties due to the condition and/or use of the properties.

Developer(s) shall timely pay all contractors, subcontractors, suppliers, laborers, and materialmen with respect to the acquired single-family homes that will be rehabilitated, redeveloped, and resold through the CAPP. Each Developer shall also ensure that every home property remains free of construction liens that could arise after the City transfers the home properties selected by the Developer to the Developer via Quit Claim Deeds and up through the successful closing of the City-approved sales transaction for each such home property.

To ensure compliance with the CAPP, the City will have liens against all home properties constituting the Property until a home property is successfully sold through a City-approved sales transaction pursuant to the CAPP. (A home property is "successfully sold" when the City-approved sales transaction is successfully closed.) The City will prepare and record each such lien with the amount of the lien being the cost for the property's acquisition from the Wayne County Treasurer. This will ensure that the City remains involved in any sales transactions. Still, the City's lien shall exist to ensure compliance with the CAPP rather than to secure any amount of payment. As such, the City will release the lien without compensation or payment on the date of the City-approved sales transaction for a home property provided the sales transaction complies with the requirements of the CAPP and is successfully sold.

It is strongly recommended that Developers acquire title searches or title commitments at the time of acquisition .

Rehabilitation and Redevelopment:

The CAPP is acquisition/redevelopment and resale program for the Property. Developer(s) will have 12 months to complete the home rehabilitation/redevelopment of each acquired property and to have homes listed for sale. More specifically, all rehabilitation/redevelopment work must be completed within 12 months of the Developer's receipt from the City of a home property that is part of the Property.

Vacant, foreclosed single-family homes must be rehabilitated/redeveloped and sold for owner occupancy only. After a Developer's receipt from the City of a home property that is part of the Property, the Developer(s) will be required to coordinate acquisition, redevelopment, and resale in collaboration with the City through its CEDD. Before beginning rehabilitation/redevelopment of a property, a Developer(s) must provide to the CEDD staff the following with respect to the property: (1) a plan and implementation strategy for the property's rehabilitation/redevelopment, (2) a proposed schedule (with activities broken down) for the property's rehabilitation/redevelopment, (3) a scope of work to be performed for the property's rehabilitation/redevelopment, and (4) an explanation of when and how the Developer will perform the initial risk assessment for lead and asbestos.

All contractors, trades and sub-trades that work on building components that contain lead must be lead certified and show proof of certification.

Developer(s) must identify any external sub-contractors and describe their roles and responsibilities.

Developer(s) are required to have all home properties go through all required inspections and meet all required standards as determined by the City's Building and Engineering Department. Developer(s) must obtain all City-required building permits, licenses, etc. in redeveloping and reselling any home properties in addition to meeting any other legal requirements that pertain to such actions.

All home properties that are part of the Property will be rehabilitated/redeveloped to meet, at a minimum, the requirements of State law and the City's Code of Ordinances. Developer(s) will be required to use Energy Star and energy efficient technologies when redeveloping the home properties.

Developer(s) will be responsible for the upkeep of each home property before, during, and after its redevelopment, and up through the date of the successful closing of the City-approved sales transaction for it. Without limitation, this includes grass cutting, snow removal, property maintenance, and other such actions to maintain the home property.

Developer(s) will also be required to maintain insurances for each home property and to pay taxes for each home property. The types of insurances and the levels of coverage will be as set forth in the Agreement between the City and a Developer.

Marketing and Sales:

Developer(s) will have 18 months to have a completed sales transaction on each of the CAPP properties. The 18 months will be computed from the date of the Developer's receipt of the property from the City.

Each Developer(s) must certify that it will affirmatively market the properties through a local Realtor, MLS, or reputable internet based real estate marketing webpage. Verification of previous affirmative marketing efforts may be required by the City.

Homebuyers are to be individuals who will own and occupy a home. Investors are not acceptable as homebuyers. This is required because one of the goals of the CAPP is to have the home properties that are part of the Property become or stay owner-occupied, single-family residential units.

All buyers that require mortgage financing, will receive fixed rate mortgages with interest rates and closing costs at the best available rate for borrowers with good credit in the local market;

Adjustable Rate Mortgages, Interest Only Mortgages, Balloon Mortgages, or any other mortgage that is classified as Sub-Prime will not be accepted;

Remaining unsold rehabilitated home properties may only be sold via land contracts if the home properties could not be otherwise sold for cash or with appropriate mortgage financing within 18 months from the date the City enters into an Agreement with the Developer which owns the home property. The Developer must charge a fair fixed interest rate to all homebuyers on any such land contracts. The Developer must be the land contract holder/vendor. No third party investors will be allowed. Land Contract documents must be recorded with Wayne County Register of Deeds and must also be provide to the homebuyer with a title policy from an approved title company.

Full cash purchases are allowed.

Homebuyer must be owner-occupant and must register the home as a Homestead property with the City Assessor's Office.

Recapture Remedy:

In the event a Developer does not meet the required deadlines for completing the rehabilitation/redevelopment of one or more home properties or for completing the sales transaction for one or more home properties, then the Developer will be in default under the Agreement such that the City shall have the option to avail itself of its recapture remedy under the Agreement. That is, the City's optional, non-exclusive remedy for such a Developer default is that the City may "recapture" the property. More specifically, the City may require the Developer to transfer to the City via a Quit Claim Deed (QCD) whatever home property or home properties led to the Developer's default. The Developer will not be reimbursed for any expenses associated with the rehabilitation, redevelopment, or attempted resale of any home property recaptured by the City.

Appendix 4 contains the form of the Agreement including the provisions describing the recapture remedy. Quoters are encouraged to review these provisions carefully to ensure that they understand them completely before entering into an Agreement with the City if they are selected as a Developer.

This recapture remedy may be exercised by the City at its option and will not be the City's exclusive remedy for a Developer's default. This recapture remedy shall be in addition to any other remedies the City may have in law or in equity.

Further, in its sole discretion, the City may extend the required deadlines for rehabilitation/redevelopment of a home property or for resale of a home property. The City may also waive or modify requirements in the Agreement pertaining to the rehabilitation/redevelopment of a home property or to resale of a home property if the City through its CEDD determines that it is in the best interest of the City to do so.

SECTION E
APPENDICES

APPENDIX 1

GENERAL FORM OF PROPOSAL

City Action Preservation Program (“CAPP”) Developer for the City of Dearborn Heights, Michigan

ANY QUESTIONS, PLEASE CONTACT Community and Economic Development Department Director Jihad (“Joe”) A. Hachem by telephone at 313-791-3510 or by email at jhachem@ci.dearborn-heights.mi.us.

PLEASE SUBMIT IN DUPLICATE

Quote/Proposal of the Under-Named Quoter for City Action Preservation Program (“CAPP”) Developer:

The undersigned, on behalf of the undernamed Quoter (hereafter “Quoter”), hereby declares, warrants, represents, acknowledges and/or agrees that:

(1) I have carefully read and examined the Request for Proposals Package for City Action Preservation Program (“CAPP”) (hereafter “RFP Package”) prepared by the City of Dearborn Heights, Michigan (hereafter “City”).

(2) I declare, warrant, represent, acknowledge and/or agree that either of the following is true:

(A) I am authorized to submit this Quote to the City and to bind the Quoter to any terms, conditions, or penalties as set forth in the RFP Package; OR

(B) If the Quote is submitted on behalf of a legal entity that is to be formed, then I assure the City that the Quoter shall be bound by such terms, conditions, or penalties as set forth in the RFP Package when the Quoter is formed. Further, until it is formed, I personally agree and guarantee that the Quoter shall be bound by such terms, conditions, or penalties as set forth in the RFP Package. Moreover, if it is not formed, I personally agree and guarantee that I shall be bound by such terms, conditions, or penalties as set forth in the RFP Package in the place of the Quoter.

(3) I declare, warrant, represent, acknowledge and/or agree that either of the following is true:

(A) I am authorized to submit this Quote to the City and to bind the Quoter to any Agreement that may result from it; OR

(B) If the Quote is submitted on behalf of a legal entity that is to be formed, then I assure the City that the Quoter shall be bound to any Agreement that may result from it when the Quoter is formed. Further, until it is formed, I personally agree and guarantee that the Quoter shall be bound to any Agreement that may result from the Quote. Moreover, if it is not formed, I personally agree and guarantee that I shall be bound to any Agreement that may result from the Quote in the place of the Quoter.

(4) The Quote is not the Agreement and the submission of the Quote by the Quoter creates no contractual rights on the part of the Quoter or the undersigned.

(5) The Quote and the submission of the Quote by the Quoter do not give the Quoter or the undersigned standing to challenge any decision made regarding the Quote.

(6) If the Quote is ultimately rejected or not accepted, the Quoter and the undersigned have no recourse with respect to this decision and have, in any event, knowingly and voluntarily waived their rights, if any, thereto.

(7) By submitting a Quote, I, as the Person Signing the Quote for Quoter, declare, warrant, represent, acknowledge and/or agree that either of the following is true:

(A) The Quoter has read, acknowledges, and understands the contents of the RFP Package; has read, acknowledges, and understands the contents of the Quoter’s Quote; has submitted the Quote in conformity with the RFP Package; agrees that all costs incurred in the preparation and presentation of the Quote or in any way related to it shall be wholly absorbed by the Quoter; agrees that all supporting documentation shall become the property of the City; and acknowledges, agrees, and understands that the confidentiality of the Quote and of all information submitted to the City relative to it cannot be assured due to the requirements of the Michigan Freedom of Information Act and the City’s Charter; OR

(B) If the Quote is submitted on behalf of a legal entity that is to be formed, then I have read, acknowledge, and understand the contents of the RFP Package; have read, acknowledge, and understand the contents of the Quoter's Quote; have submitted the Quote in conformity with the RFP Package; agree that all costs incurred in the preparation and presentation of the Quote or in any way related to it shall be wholly absorbed by the Quoter; agree that all supporting documentation shall become the property of the City; and acknowledge, agree, and understand that the confidentiality of the Quote and of all information submitted to the City relative to it cannot be assured due to the requirements of the Michigan Freedom of Information Act and the City's Charter. Further, until it is formed, I personally agree and guarantee the foregoing statements in this paragraph 7(B) on behalf of the Quoter. Moreover, if it is not formed, I personally agree and guarantee the foregoing statements in this paragraph 7(B) on behalf of the Quoter and myself.

(8) Paragraph 1.11 of the RFP Package states that:

"1.11. Each copy of the Quote shall be signed by a person legally authorized to bind the Quoter to a contract or by a person who can provide information and assurances to the City consistent with paragraph 1.10 above that the Quoter will be formed and will be bound by the terms of any Agreement that may arise from the acceptance of the Quote. A Quote by a corporation or other corporate entity shall (a) indicate the state of its incorporation or organization and (b) have the corporate seal affixed. A Quote submitted by an agent shall have a current power of attorney attached certifying the agent's authority to bind the Quoter to a contract."

Quoter's Name and Address:

Quoter's Type of Legal Entity and State of Incorporation or Organization (If Applicable):

If Quoter is a Sole Proprietorship, Partnership, or Type of Partnership, the Name or Names of Its Owner or Partners Are:

(Attach additional sheet or sheets, if necessary)

If Quoter is a Corporation, Limited Liability Company, or Other Corporate Type of Entity, the Name or Names and Title or Titles of Its Principal Officers and/or Members Are:

(Attach additional sheet or sheets, if necessary)

Signature of Person Signing the Quote for Quoter: _____

Title of Person Signing the Quote for Quoter: _____

Date Quote Signed: _____, 2018

Name, Title, and Telephone Number of Quoter Contact Person:

APPENDIX 2

NON-COLLUSION AFFIDAVIT

STATE OF MICHIGAN)
)SS
COUNTY OF _____)

_____, being first duly sworn, deposes and says that:

1. He or she is the _____
 (owner, partner, officer, representative agent)

of _____.
 (person or entity submitting attached Quote (“Quoter”))

2. He or she is fully informed concerning the preparation and contents of the attached Quote and of all pertinent circumstances with respect to it.

3. The attached Quote is genuine and is not a collusive or sham Quote.

4. Neither the person or entity submitting the attached Quote, nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest (including the undersigned), has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other person or entity submitting a Quote, or with any person affiliated with such a person or entity, to submit a collusive or sham Quote in connection with the contract for which the attached Quote has been submitted, or to refrain from submitting a Quote in connection with such contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other person or entity submitting a Quote, or with any person affiliated with such a person or entity, to fix the price or prices in the attached Quote or of any other Quoter, or, to fix any overhead, profit, or cost element of the Quote price or the Quote price of any other Quoter, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Dearborn Heights or any person interested in the proposed contract.

5. The price, prices, and/or other terms quoted in the attached Quote are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Quoter or any of its agents, representatives, owners, employees, or parties in interest (including the undersigned).

Name and Title of Person Signing

Name of Quoter

Sworn to and signed in my presence by _____ on _____, 2018.

_____, Notary Public
_____ County, Michigan
Acting in _____ County, Michigan
My Commission Expires: _____

APPENDIX 3

CAPP DEVELOPER ACQUISITION, REDEVELOPMENT AND RESALE APPLICATION

If information requested does not fit in the space provided, please attach additional sheets to this Application and include the requested information in the attached sheets.

1. QUOTER INFORMATION			
Company Name:		EIN#:	
Contact Person:		Title:	
Address:		City:	State: Zip:
Telephone:	Cell Phone:	Fax:	E-mail:
* Identify the location where project records will be maintained, if different from above:			
Address:		City:	
2. HOUSING MISSION			
Identify your organization's goals:			
What elements of your organization's mission directly support the goals of the Dearborn Heights City Action Preservation Program ("CAPP")?			
What strategy will you use to develop the proposed project?			
What financing options are available to your organization?			
How will you manage scheduling?			
How will you manage budget?			
How do you measure success?			

3. DEVELOPMENT EXPERIENCE

- a. Outline your organization's experience in developing the type of housing noted in the City of Dearborn Heights' RFP Package for its City Action Preservation Program ("CAPP"). List the number location, type and funding source of all units you have produced during the past five years in chronological order.
- b. Describe other projects with which your organization is currently involved.
- c. Describe your organization's capacity to manage additional projects.
- d. Discuss how your organization responded to staff changes that impacted projects during the past five years.
- e. How did your organization resolve problems to keep the project on schedule and on budget?
- f. Please submit three (3) references related to implementation of a similar program.

4. ANTI-FRAUD

U.S.C. Title 18, Sec. 1001 provides: "Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing, or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both". This pertains to the Quote submitted, to this Application, and to the actual, possible participation of the Quoter in the City of Dearborn Heights' RFP Package for its City Action Preservation Program ("CAPP"). For example, sub-contractor bids shall not be marked-up to increase a Developer's reasonable minimal investment.

5. FAIR HOUSING

Explain how the Quoter will promote fair housing and will ensure compliance with all fair housing laws and regulations.

6. WOMEN AND MINORITY OWNED BUSINESS ENTERPRISES

Is the Quoter a minority and/or women-owned businesses? Explain how the Quoter will include outreach to and contracting with women and minority business enterprises. (When advertising for bids or contractors, a statement that says, "minority and women-owned businesses (WIMBE) are encouraged to apply" must be included in the advertisement.)

7. SUSTAINABILITY

Describe how the Quoter will incorporate green, energy efficient building materials or techniques to lower the property owners' ongoing homeownership costs (e.g., flow resistors, insulation, new windows, etc.). Include universal design concepts, if possible, in the Quoter's submittal.

8. SOURCES OF FINANCING

List funds that will be used by the Quoter if selected to be a Developer for the Dearborn Heights City Action Preservation Program (“CAPP”). Include the source, amount and if they are potential, pending commitment or firmly committed. NOTE: All selected Quoters will be required to establish a Line of Credit or cash in escrow account with an approved financial institution prior to contract execution.

9. PLANNING SCHEDULE

Projected start date: _____

Projected completion date: _____

Quoters must provide a project schedule listing major activities and dates. (Examples: acquisition, contractor selection, homebuyer pre-qualification, construction start, final inspection, closing, etc.)

10. PROJECT TEAM

Project Manager/Developer:	
Name:	
Company:	
Telephone/Cell/Email:	
Job duties on this project:	
Project Coordinator (day-to-day), if different from above:	
Name:	
Company:	
Telephone/Cel/Email:	
Job duties on this project:	
Accounting Manager:	
Name:	
Company:	
Telephone/Cell/Email:	
Job duties on this project:	
Other (contractor/certified home inspector/consultant/spec writer/lead based paint assessor):	
Name:	
Company:	
Telephone/Email:	

Job duties on this project:	
Other (contractor/certified home inspector/consultant/spec writer/lead based paint assessor):	
Name:	
Company:	
Telephone/Email:	
Job duties on this project:	
Other (contractor/certified home inspector/consultant/spec writer/lead based paint assessor):	
Name:	
Company:	
Telephone/Email:	
Job duties on this project:	
Other (contractor/certified home inspector/consultant/spec writer, lead based paint assessor):	
Name:	
Company:	
Telephone/Email:	
Job duties on this project:	

Certification

The undersigned Quoter hereby applies to become a Developer as part of the Dearborn Heights City Action Preservation Program (“CAPP”). The Quoter represents and certifies that the Quoter has not requested any more funds than are necessary to provide affordable housing as outlined in the CAPP. The Quoter certifies that he/she/they/it has provided for and will continue to encourage the participation of persons of low income as defined in the CAPP.

The Quoter understands that the City will determine the eligibility of the Quoter, at least in part, on the figures submitted by the Quoter, the readiness of the Quoter to proceed, and the Quoter's ability to implement all tasks outlined in the Dearborn Heights City Action Preservation Program (“CAPP”) RFP Package. The Quoter is responsible for the accuracy of its estimates and figures. Misrepresentations or omissions may be the basis for the cancellation, termination and/or repayment of an award.

The Quoter acknowledges and agrees that it will, at all times, cooperate with regard to requests for submittal of additional information from the City.

The Quoter acknowledges and agrees to fully comply and cooperate with all monitoring activities of the City relative to the CAPP. The Quoter will provide the City and any City authorized representatives access to and the right to examine all records, books, papers, or documents related to the application and implementation of the CAPP. By executing this Application, the Quoter authorizes the City to obtain, furnish and release, to all appropriate agencies, full and complete records, reports and/or information pertaining to the Quoter and its Quote related to the CAPP.

The Quoter agrees that the City as well as its elected officials, appointed officials, agents, employees, attorneys, contractors and representatives will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not confined to, attorney's fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments, and any loss from such judgments or assessments) directly or indirectly resulting from, arising out of, or related to any inaccurate or false statement contained in this Application.

The undersigned is duly authorized to execute this Application on behalf of the Quoter, possesses the legal authority to apply for funds on behalf of the Quoter, and possesses the legal authority to ensure that the Quoter will meet its obligations as a Developer if the Quoter is selected to be a Developer participating in the CAPP.

The Quoter understands that all representation made herein and all documentation submitted are subject to verification by the City, and that any misrepresentations or inaccuracies, whether intentional or not, may subject the Quote to a lower competitive assessment or to disqualification. For the purposes of verification, the Quoter hereby authorizes the City to request information related to this transaction from any lender, investor, or other institution or entity named in this Application or the Quoter's Quote.

I hereby swear or affirm that I have read this CAPP Developer Acquisition, Redevelopment and Resale Application and that the information contained in it is true to the best of my information, knowledge, and belief.

Name and Title of Person Signing

Name of Quoter

Sworn to and signed in my presence by _____ on _____, 2018.

_____, Notary Public

_____ County, Michigan

Acting in _____ County, Michigan

My Commission Expires: _____

APPENDIX 4

GENERAL FORM AND SUBSTANCE OF AGREEMENT

DEVELOPER AGREEMENT FOR DEARBORN HEIGHTS CITY ACTION PRESERVATION PROGRAM

This Developer Agreement for Dearborn Heights City Action Preservation Program (“Agreement”) is between the City of Dearborn Heights, a Michigan Municipal Corporation (“City”), whose address is 6045 Fenton, Dearborn Heights, Michigan 48127 and [TO BE DETERMINED] (“Developer”), whose address is [TO BE DETERMINED]. This Agreement pertains to Developer’s participation in the City’s City Action Preservation Program (“CAPP”). The City and the Developer may be collectively referred to as “the Parties”, or may also be referred to individually and generically as a “Party”. In consideration of the City’s selection of Developer as a Developer under the CAPP, this Agreement, and the mutual undertakings set forth herein, the Parties agree as follows:

SECTION 1. INCORPORATION OF THE RFP PACKAGE BY REFERENCE

1.1. Background. The Parties acknowledge that City issued its Request for Proposals Package for City Action Preservation Program (“CAPP”) (hereafter “RFP Package”). The Parties also acknowledge that the RFP Package described the CAPP and specified many of the duties, responsibilities, and obligations that a Developer would be required to meet as a Developer participating in the CAPP. Further, the Parties acknowledge that Developer submitted a Quote in response to the RFP Package which led to the City selecting it to be a Developer participating in the CAPP.

1.2. General Incorporation by Reference. The Parties agree that the RFP Package is incorporated herein by reference and that the CAPP in general shall be administered as described in the RFP Package. Further, the Parties agree in general that the Developer shall fulfill the duties, responsibilities, and obligations of a Developer as described in the RFP Package. The only exceptions to these general requirements as set forth in this Subsection 1.2 are set forth in Subsection 1.3 below.

1.3. Effect of this Agreement. This Agreement is intended to be consistent with the RFP Package. To the extent the City has deemed it necessary or desirable, this Agreement is intended to clarify, to supplement, and/or to more fully describe the Developer’s obligations, duties, and responsibilities to the City under the CAPP. This Agreement supersedes what is stated in the RFP Package to the extent that this Agreement and the RFP are inconsistent.

1.4. Slightly Modified RFP Package Definition of “Property”. “Property” means the *select* real property to be acquired by the City in or around July 2018 which in turn will be redeveloped and resold pursuant to the CAPP. The Property will be acquired by the City based on its right to acquire tax foreclosed property pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1). It is anticipated that not all real property the City acquires pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1) will be Property under the CAPP.

SECTION 2. COMPLIANCE WITH LAW

2.1. In general. The Developer shall promptly observe, perform, execute and comply with all applicable and valid laws, ordinances and regulations of every duly-constituted governmental authority or agency relating to the Property as well as Developer’s performance under this Agreement. The Developer, upon notice of any violation, shall have the right to correct same within the time allowed for correction or compliance and/or to contest in good faith, by appropriate action, the validity of any such law, rule, requirement, order, directive, ordinance or regulations, provided that the City’s rights and remedies under the CAPP and this Agreement are not thereby jeopardized or impaired. Nothing in this Agreement shall be

construed as exempting Developer from the operation of any valid law, ordinance, or regulation of any governmental authority including those of the City.

2.2. Permits and Licenses. The Developer, at its own expense, shall obtain and keep in effect all licenses or permits which may be required by law to allow Developer to rehabilitate or redevelop any of the home properties that are part of the Property transferred to Developer, to market and sell any of the home properties that are part of the Property transferred to Developer, or otherwise to comply with this Agreement. Further, the Developer shall ensure that any person, employee, agent, or entity working at or conducting operations at any of the home properties that are part of the Property transferred to Developer shall likewise obtain and keep in effect all licenses or permits which may be required by law.

2.3. Employment Law Compliance. Developer shall, where applicable, employ others within the regulations of all Federal, State and Local laws and ordinances and regulations relating to minimum wages, social security, unemployment insurance, and worker's compensation. Pursuant to the Elliott-Larsen Civil Rights Act, Public Act 453 of 1976, as amended, and the Persons with Disabilities Civil Rights Act, Public Act 220 of 1976, as amended, Developer shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or a disability unrelated to the individual's ability to perform the duties of a particular job or position. Breach of this covenant may be regarded as a material breach of this Agreement. To the extent they apply to Developer, Developer shall also comply with the provisions of Title VII of the Civil Rights Act of 1964, regulations promulgated pursuant to Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Civil Rights Act of 1991, and any other federal or Michigan law prohibiting discrimination. To the extent required by law, Developer shall post in conspicuous places, available to employees and applicants for employment, notices provided by the appropriate governmental agency(ies) setting forth the fact that Developer is an "Equal Opportunity Employer" and the appropriate non-discrimination provisions.

2.4. Title VI Plan Compliance. Developer, for itself, its successors in interest, and/or its assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement for a purpose for which a City program or activity is extended or for another purpose involving the provision of similar services or benefits, Developer shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of breach of any of the above non-discrimination covenants in this Subsection 2.4, the City shall have the right to terminate this Agreement, and to re-enter and repossess said land and the facilities thereon and hold the same as if this Agreement had never been made or issued. Further, to the extent the undertakings in this Agreement are related to the requirements of Appendix A, Developer also agrees to be bound by the requirements of Appendix A as they apply to a "contractor".

2.5. General Prohibition of Discrimination. Developer shall, where applicable, comply with all Federal, State and Local laws and ordinances and regulations prohibiting discrimination. Without limiting the scope of the preceding sentence, Developer shall comply with the provisions of the Elliott-Larsen Civil Rights Act, Public Act 453 of 1976, as amended, and the Persons with Disabilities Civil Rights Act, Public Act 220 of 1976, as amended, pertaining to (A) utilizing and/or benefitting from a place of public accommodation or public service and (B) acquiring, renting, and maintaining property. In the performance of this Agreement, Developer shall not discriminate against any person on the grounds of race, color, religion, national origin, age, sex, height, weight, marital status, or a disability unrelated to the individual's ability to benefit thereby. Nor shall any person be excluded from participation in, be denied the proceeds of, or be denied the benefits of this Agreement on the grounds of race, color, religion, national origin, age, sex, height, weight, marital status, or a disability unrelated to the individual's ability to benefit thereby.

SECTION 3. RELATIONSHIP OF THE PARTIES

Each Party is, and shall perform its obligations under this Agreement, as an independent contractor, and as such shall have and maintain complete control over all of its employees, agents, and operations. Nothing contained in this Agreement is intended to, or shall be construed to, in any way create or establish the relationship of co-partners or joint venturers between the Parties. Nothing contained in this Agreement is intended to, or shall be construed to, in any way create or establish an agency relationship or representative relationship between the Parties.

SECTION 4. CITY'S RIGHT TO INSPECT

Upon reasonable notice to Developer, the City shall have the right to inspect any of the home properties that are part of the Property transferred to Developer to monitor compliance with the CAPP, to monitor compliance with this Agreement, and to monitor the quality of services. The City's right to inspect may be exercised by the City on an on-going basis and shall continue to exist until Developer has fully satisfied its obligations under this Agreement. This contractual right to inspect shall not in any way diminish the authority and power the City otherwise has under the law to inspect property within its corporate limits.

SECTION 5. WARRANTIES

5.1. General Disclaimer of Warranties. The City disclaims all warranties, express or implied, as to (A) any of the home properties that are part of the Property transferred to Developer and (B) any of the personal property that may be located at the home properties that are part of the Property transferred to Developer. The City makes no warranties, express or implied, as to (A) any of the home properties that are part of the Property transferred to Developer and (B) any of the personal property that may be located at the home properties that are part of the Property transferred to Developer. Developer accepts all such property as is, where is with all faults.

5.2. Disclaimer of Title Warranties. The City disclaims any warranty of title relative to (A) any of the home properties that are part of the Property transferred to Developer and (B) any of the personal property that may be located at the home properties that are part of the Property transferred to Developer. Developer accepts all such property without any assurances about the City's title to it.

SECTION 6. ASSIGNMENT

6.1. In General. Developer may not assign or partially assign this Agreement without first securing City's prior written approval of the proposed assignment and without first securing City's prior written approval of the proposed assignee. Any such consent to the assignment must be executed with the same formalities as are necessary under this Agreement to effectuate an amendment to this Agreement. The City may withhold its consent to any proposed assignment for any reason as it determines in its sole discretion. A previous consent to an assignment shall not operate to relieve Developer of its obligation or Developer's assignee of its obligation to obtain City's prior written consent to any further proposed assignment.

6.2. Effect of assignment on obligations. An assignment shall not operate to relieve the Developer of any of its obligations under this Agreement.

SECTION 7. CITY'S RELIANCE ON DEVELOPER'S QUOTE

The City has relied upon the accuracy of Developer's Quote in selecting the Developer to be a Developer participating in the CAPP, including Developer's CAPP DEVELOPER ACQUISITION, REDEVELOPMENT AND RESALE APPLICATION ("Application"). In addition to any other remedies that may be available to the City and those affiliated with it, Developer shall hold harmless and indemnify the City as well as its elected officials, appointed officials, agents, employees, attorneys, contractors and representatives against all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement and

amounts paid to discharge judgments, and any loss from such judgments or assessments) directly or indirectly resulting from, arising out of, or related to any inaccurate or false statement contained in Developer's Quote or Developer's Application.

SECTION 8. ACQUISITION AND LIMITATION DETAILS

8.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled "**Acquisition and Limitation Details**" and contained at page 7 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 8 is intended to clarify, to supplement, and/or to more fully describe the Developer's obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

8.2. Minimum Line of Credit or Escrow. Developer is required to have a minimum \$25,000.00 per acquired home in the form of a line of credit from an approved financial institution or cash in escrow with an approved title company no later than 10 days prior to this Agreement's execution. Developer's duty to maintain this line of credit or cash in escrow will be diminished by \$25,000 for each acquired home property Developer successfully rehabilitates/redevelops. A home property shall be deemed to be successfully rehabilitated/redeveloped only after the City through its CEDD has certified to the Developer in writing that the rehabilitation/redevelopment plan for the property has been successfully completed and the property is in appropriate condition to be marketed for sale pursuant to the CAPP.

8.3. Developer's Failure to Establish or Maintain Minimum Line of Credit or Escrow. Establishing and maintaining the line of credit or escrow required by Subsection 8.2 above is a material obligation of the Developer under this Agreement. Should Developer fail to meet this obligation or fail to provide adequate proof to the City that it has met this obligation, then this Agreement shall be terminated and Developer shall immediately transfer any home property that it received from the City pursuant to this Agreement or the CAPP back to the City via delivery of a Quit-Claim Deed to the City.

8.4. Initial Acquisition. The initial acquisition of the Property from the Wayne County Treasurer will be funded by the City. However, Developer shall reimburse the City for the acquisition costs to the City of each home property that the Developer is to acquire within five (5) business days of the City paying the Wayne County Treasurer for the property. At this time, the Developer will also pay the City (A) an administration fee of \$2,500 for each home property that the Developer is to acquire and (B) the amount necessary to satisfy any outstanding City charges or liens the City has against the property that arose after the date of the tax foreclosure judgment in the tax foreclosure case leading to the City's acquisition of the Property. By participating in the CAPP Program, Developer agrees to be contractually bound (A) to satisfy any such fees, charges, and liens and (B) not to contest any such fees, charges, or liens.

8.5. Definitions Related to Initial Acquisition. For purposes of this Agreement, the following terms shall have the following meanings:

(A) "Developer's initial investment" means the total, aggregate amount Developer paid to the City pursuant to Subsection 8.4 above to reimburse the City for its costs in acquiring home properties from the Wayne County Treasurer, to satisfy the administration fee of \$2,500 for each home property that the Developer acquired, and to satisfy any outstanding City charges or liens the City had against the property that arose after the date of the tax foreclosure judgment in the tax foreclosure case leading to the City's acquisition of the Property.

(B) "Developer's initial investment for home property" means the amount of the "Developer's initial investment" attributable to a specific home property.

8.6. Transfer to Developer. Provided the Developer has successfully reimbursed the City for the City's acquisition costs, has paid the administration fees, and has also satisfied any outstanding City charges or liens the City has against the property as required in Subsection 8.4 above, the City will transfer the home properties selected by the Developer to the Developer via a Quit Claim Deed prepared by the City within five (5) business days of the City receiving the initial Quit Claim Deed transferring ownership of the property from the Wayne County Treasurer to the City. The Developer shall have each such Quit Claim

Deed provided to it by the City recorded with the Wayne County Register of Deeds. The Developer shall pay all recording fees for the deeds.

SECTION 9. HOME PROPERTIES CONSTITUTING THE “PROPERTY”; SELECTIONS BY DEVELOPERS

9.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled “**Home Properties Constituting the “Property”; Selections by Developers**” and contained at pages 7 and 8 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 9 is intended to clarify, to supplement, and/or to more fully describe the Developer’s obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

9.2. City’s Right to Withhold Properties from the CAPP. It is anticipated that at least some of the real property that the City acquires pursuant to Section 78m of The General Property Tax Act, as codified at MCL 211.78m(1) will not be Property under the CAPP. In its sole discretion, the City will have the right to withhold any property from the CAPP that it deems appropriate.

9.3. Occupied Properties. In general, the City intends to avoid making owner-occupied home properties part of the Property under the CAPP. Yet, if a Developer obtains an owner-occupied home property under the CAPP, then the Developer—and not the City—will be responsible for displacement of owner occupants or for renting the property to the owner occupants as their landlord. Further, if a Developer obtains an occupied home property under the CAPP, then the Developer—and not the City—will be responsible for displacement of the occupants of the home property or for renting the property to the occupants as their landlord. Nothing stated in this Subsection 9.3 shall be deemed to eliminate or to diminish any pre-existing duty the City may have to enforce the law within its corporate limits. Still, any such duty as alluded to in the preceding sentence shall not be enforceable as an obligation under this Agreement.

9.4. Selection of Home Properties. Developer will be able to select from the available pool of home properties that are part of the Property under the CAPP using the following process.

(A) Developer shall acquire a minimum of eight (8) and up to a maximum of twelve (12) single-family homes. This requirement regarding the minimum and maximum number of homes may be waived or modified by the City in its sole discretion depending on the number of home properties included in the Property.

(B) If there is only one Developer, then the Developer will be responsible for the rehabilitation, redevelopment, and resale of all of the home properties constituting the Property pursuant to the CAPP.

(C) Developer(s) shall acquire the single-family homes that will be rehabilitated, redeveloped, and resold through a random, rotational process as more fully described in the RFP Package.

SECTION 10. LIENS- IN GENERAL AND THOSE TO ENSURE COMPLIANCE WITH THE CAPP

10.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled “**Liens- In General and Those to Ensure Compliance with the CAPP**” and contained at pages 8 and 9 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 10 is intended to clarify, to supplement, and/or to more fully describe the Developer’s obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

10.2. In general. Developer shall be responsible for any charges or liens against the single-family homes that Developer acquires through the CAPP. Developer’s responsibility for these charges and liens extends to any charges or liens that arise after the date of the tax foreclosure judgment in the tax foreclosure case leading to the City’s acquisition of the Property and up through the successful closing of the City-approved sales transaction for a home property.

10.3. City Charges and Liens. Any City charges or liens on the home properties that Developer acquires through the CAPP that exist at the time of the City's initial acquisition of the properties from the Wayne County Treasurer must be satisfied by Developer prior to the transfer of the properties to Developer. These charges and liens include, but are not necessarily limited to, charges and liens for unpaid water charges, for unpaid grass-cutting charges, for municipal civil infraction judgments through the 20th District Court, and any other such City charges and liens. Developer shall be responsible for contacting appropriate City departments (e.g. the City's Treasurer's Office, Department of Ordinance Enforcement, and Water Department) to ascertain the amounts of any such charges and liens as well as the possibility that further charges and liens may be imposed on the properties due to the condition and/or use of the properties.

10.4. Construction Liens. Developer shall timely pay all contractors, subcontractors, suppliers, laborers, and materialmen with respect to the home properties that it acquired through the CAPP. Developer shall also ensure that every home property remains free of construction liens that could arise after the City transfers the home properties selected by the Developer to the Developer via Quit Claim Deeds and up through the successful closing of the City-approved sales transaction for each such home property. If a construction lien is asserted against a home property, then Developer shall be responsible to take any steps that are necessary to ensure that any such construction lien is withdrawn or set aside from the home property within twenty-one (21) days of the date the construction lien is first filed or asserted.

10.5. City Liens. To ensure compliance with the CAPP, the City will have liens against all home properties Developer acquires through the CAPP. The City's lien for each such home property will continue until such a home property is successfully sold through a City-approved sales transaction pursuant to the CAPP. (A home property is "successfully sold" when the City-approved sales transaction is successfully closed.) The City will prepare and record each such lien with the amount of the lien being the cost for the property's acquisition from the Wayne County Treasurer. This will ensure that the City remains involved in any sales transactions. Still, the City's lien shall exist to ensure compliance with the CAPP rather than to secure any amount of payment. As such, the City will release the lien without compensation or payment on the date of the City-approved sales transaction for a home property provided the sales transaction complies with the requirements of the CAPP and the home property is successfully sold.

SECTION 11. REHABILITATION AND REDEVELOPMENT

11.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled "**Rehabilitation and Redevelopment**" and contained at page 9 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 11 is intended to clarify, to supplement, and/or to more fully describe the Developer's obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

11.2. Time Requirement. Developer shall have 12 months to complete the home rehabilitation/redevelopment of each home property it acquires through the CAPP and to have these home properties listed for sale. More specifically, Developer must complete all rehabilitation/redevelopment work within 12 months of the Developer's receipt from the City of a home property that is part of the Property.

11.3. Rehabilitation/Redevelopment. After Developer receives a home property from the City pursuant to the CAPP, the Developer is required to coordinate acquisition, redevelopment, and resale in collaboration with the City through its CEDD. Before beginning rehabilitation/redevelopment of a property, the Developer shall provide to the CEDD staff the following with respect to the property: (1) a plan and implementation strategy for the property's rehabilitation/redevelopment, (2) a proposed schedule (with activities broken down) for the property's rehabilitation/redevelopment, (3) a scope of work to be performed for the property's rehabilitation/redevelopment, and (4) an explanation of when and how the Developer will perform the initial risk assessment for lead and asbestos.

11.4. Lead Certification. All contractors, trades and sub-trades that work on building components that contain lead must be lead certified and show proof of certification. Developer shall provide such information, documentation, and certification to the CEDD.

11.5. Identification of Subcontractors. Developer shall identify any external sub-contractors and describe their roles and responsibilities to the CEDD.

11.6. Compliance with City and Other Requirements. Developer shall have all home properties go through all required inspections and meet all required standards as determined by the City's Building and Engineering Department. Developer shall obtain all City-required building permits, licenses, etc. in redeveloping and reselling any home properties in addition to meeting any other legal requirements that pertain to such actions. This includes, but is not limited to, obtaining a certificate of occupancy before selling any home property. The Developer shall rehabilitate/redevelop all home properties to meet, at a minimum, the requirements of State law and the City's Code of Ordinances. Further, Developer shall use Energy Star and energy efficient technologies when redeveloping the home properties.

11.7. Maintenance of Home Properties. Developer shall be responsible for the upkeep of each home property before, during, and after its redevelopment, and up through the date of the successful closing of the City-approved sales transaction for it. Without limitation, this includes grass cutting, snow removal, property maintenance, and other such actions to maintain the home property.

11.8. Taxes, Utilities and Other Charges. Developer shall pay all taxes lawfully assessed or levied on each of the home properties acquired by it from the City under the CAPP up through the date of the successful closing of the City-approved sales transaction for the property. Developer shall pay all charges for fuel, water, sewer, gas, electricity, cable television or other public utilities associated with each of the home properties acquired by it from the City under the CAPP up through the date of the successful closing of the City-approved sales transaction for the property.

11.9. Insurance. Developer shall maintain insurances for each home property. The types of insurances and the levels of coverage are as specified under Section 15 of this Agreement.

SECTION 12. MARKETING AND SALES

12.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled "**Marketing and Sales**" and contained at pages 9 and 10 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 12 is intended to clarify, to supplement, and/or to more fully describe the Developer's obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

12.2. Time Requirement. Developer shall have 18 months to have a completed sales transaction on each of the CAPP properties it acquires from the City. The 18 months will be computed from the date of the Developer's receipt of the specific home property from the City.

12.3. City-Approved Sales Transaction. All sales of the home properties acquired by Developer from the City through the CAPP shall be approved by the City through its CEDD. The City's right to examine a transaction, to attend a closing for a home property, and to take any other actions the City deems necessary to ensure compliance with the requirements of the CAPP and this Agreement shall continue until the City has released its lien for the specific home property under Subsection 10.5 above.

12.4. Marketing. Developer shall affirmatively market the properties through a local Realtor, MLS, or reputable internet based real estate marketing webpage. Verification of current and previous affirmative marketing efforts may be required by the City.

12.5. Eligible Purchasers.

(A) One of the goals of the CAPP is to have the home properties that are part of the Property become or stay owner-occupied, single-family residential units.

(B) Developer shall only sell the home properties to homebuyers who are individuals who will own and occupy the home property that they purchase. Each homebuyer shall register the home property he, she, or they purchase as Homestead property with the City Assessor's Office.

12.6. Ineligible Purchasers. Investors are not acceptable as homebuyers of any of the home properties that are part of the Property. Developer shall not sell any of the home properties it acquired from the City under the CAPP to investors.

12.7. Financial Terms of Sales. The following requirements will govern the financial terms of Developer's sale of the home properties it has acquired from the City under the CAPP:

(A) Full cash purchases will be allowed.

(B) All buyers that will require mortgage financing must receive fixed rate mortgages with interest rates and closing costs at the best available rate for borrowers with good credit in the local market.

(C) Adjustable Rate Mortgages, Interest Only Mortgages, Balloon Mortgages, or any other mortgage that is classified as Sub-Prime will not be accepted;

(D) Land contracts will only be allowed in certain limited circumstances and only after the CEDD has confirmed the circumstances regarding the specific home property and also has consented to such a prospective land contract sale in writing. More specifically, remaining, unsold, rehabilitated home properties may only be sold via land contracts if the home properties could not be otherwise sold for cash or with appropriate mortgage financing within 18 months from the date the City entered into this Agreement with the Developer. The Developer must charge a fair fixed interest rate to all homebuyers on any such land contracts. The Developer must be the land contract holder/vendor. No third party investors will be allowed. Land Contract documents must be recorded with Wayne County Register of Deeds and the Developer must also provide to the purchasing homebuyer with a title policy from an approved title company.

SECTION 13. RECAPTURE REMEDY

13.1. Incorporation by Reference. Consistent with Section 1 above, the Parties acknowledge and agree that the section of the RFP Package entitled "**Recapture Remedy**" and contained at page 10 of the RFP Package has already been incorporated herein by reference with the legal effects stated in Section 1 above. This Section 13 is intended to clarify, to supplement, and/or to more fully describe the Developer's obligations, duties, and responsibilities to the City under the CAPP. This Section supersedes what is stated in the RFP Package to the extent that this Section and the RFP are inconsistent.

13.2. In general. In the event that Developer does not meet either the required deadline for completing the rehabilitation/redevelopment of one or more home properties or the required deadline for completing the sales transaction for one or more home properties, then the Developer will be in default under the Agreement such that the City shall have the right to avail itself of the recapture remedy provided under this Section 13. That is, the City's optional, non-exclusive remedy for such a Developer default is that the City may "recapture" specific home property(ies). More precisely, the City may require the Developer without judicial intervention or sanction to transfer to the City via a Quit Claim Deed (QCD) whatever home property or home properties led to the Developer's default. The Developer will not be reimbursed for any expenses associated with the rehabilitation, redevelopment, or attempted resale of any home property recaptured by the City under any circumstances. The only payment that the Developer may receive from the City will be any payment to which it may be entitled pursuant to Subsection 13.4 below.

13.3. Acknowledgment of Unique Circumstances and Likely Inadequacy of Any Other Remedy at Law or in Equity. The Parties acknowledge and agree that: (A) the City's purposes and goals in adopting and implementing the CAPP are unique, policy-driven, and non-pecuniary; (B) the City's damages are thus incapable of being determined based on any measure of damages; (C) this Agreement pertains to real property which itself is unique; and (D) the recapture remedy provided in this Section 13 is stipulated to by

the Parties themselves as the equitable remedy that can best address Developer's default to the degree that the default stems from the Developer's failure to meet the time requirements of this Agreement.

13.4. Possible Payment to Developer.

(A) If one or more of the home properties that led to the Developer's default has also been damaged and has not been fully repaired by the Developer, and the amount of the unrepaired damages associated with the home properties that led to the Developer's default exceeds \$1,000 at the time of the default, then the Developer upon demand by the City and without judicial intervention or sanction shall transfer to the City via one or more Quit Claim Deeds whatever home property or home properties led to the Developer's default. The City shall not provide any payment to the Developer for the recapture of these properties. The City shall also be entitled to compensatory damages for the unrepaired damages as well as to equitable relief, if appropriate.

(B) If one or more of the home properties that led to the Developer's default has not been damaged, has been fully repaired by the Developer at the time of the default, or the amount of the unrepaired damages associated with the home properties that led to the Developer's default is less than or equal to \$1,000 for all such properties at the time of the default, then the Developer upon demand by the City and without judicial intervention or sanction shall transfer to the City via one or more Quit Claim Deeds whatever home property or home properties led to the Developer's default. After the City receives the required Quit Claim Deed(s) from the Developer, the City shall pay the Developer an amount for the recapture of each such property with the City's payment for each such property computed using the following formula:

City Payment = Developer's initial investment for home property (as defined in Subsection 8.5(B) for the specific property – Additional City Administration Fee of \$2,500 - Rent Developer Received from Any Tenant(s) after Property Acquired from City. For purposes of illustration, the City's payment would be computed as follows if the Developer's initial investment for home property for the specific property was \$7,500 and the Developer received rent from a tenant in the amount of \$3,500 after it acquired the property from the City: City Payment = \$7,500 - \$2,500 - \$3,500 = \$1,500. A payment that is less than or equal to \$0.00 using this formula simply means that the City will make no payment to the Developer. The Developer will not owe the City a payment based on a negative payment amount using this formula.

(C) The Parties acknowledge and agree that neither the recapture remedy itself, nor the City's additional administration fee, nor the offset for rent received constitute a form of penalty imposed on the Developer. The recapture remedy coupled with a City payment to the Developer based in part on the Developer's initial investment for home property is a way to compensate the City for the frustration by the Developer's default of the City's purposes in adopting and implementing the CAPP while eliminating any arguable unjust enrichment to the City. The recapture remedy does not reimburse the Developer for any expenses associated with the rehabilitation, redevelopment, or attempted resale of any home property recaptured by the City since the CAPP process has not been completed, the City's purposes have been frustrated by the Developer's default, the Developer had the opportunity to make substantial windfall profits during the time it was allotted, and the Developer may have made such profits on other properties it acquired from the City under the CAPP. The Additional City Administration Fee of \$2,500 is a form of partial compensation or liquidated damages to the City associated with the added expense the City will bear in availing itself of the recapture remedy and ultimately going through the CAPP process with another developer due to the Developer's default. The offset for rent received by the Developer accounts for: (1) rent acting as an offset for any arguable unjust enrichment to the City, (2) the Developer's default further frustrating the City's purposes where the use of the home properties as rental properties is inconsistent with the purposes of the CAPP, and (3) the possible presence of tenants at the home properties frustrating the City's purposes and increasing the City's expenses in dealing with the subject property.

13.5. Additional Parameters of Recapture Remedy. The recapture remedy provided to the City under this Section:

(A) may be exercised by the City at its option,

(B) will not be the City's exclusive remedy for Developer's default if other remedies are reasonably needed to make the City whole,

(C) shall be in addition to any other remedies the City may have in law or in equity, and

(D) shall be specifically enforceable in the City's favor.

13.6. City's Discretion in Dealing with Developer in Default. In its sole discretion, the City may extend the required deadlines for rehabilitation/redevelopment of a home property or for resale of a home property. The City may also waive or modify requirements in this Agreement pertaining to the rehabilitation/redevelopment of a home property or to resale of a home property if the City through its CEDD determines that it is in the best interest of the City to do so.

SECTION 14. LIABILITIES

14.1. Indemnification of City. Developer shall hold harmless, and indemnify the City and its appointed officials, directors, officers, elected officials, agents and employees against any and all loss, liability, damage, or expense, including any direct, indirect, or consequential loss, liability, damage, or expense, and attorneys' fees for injury or death to persons, including employees of the City, and damage to property, including property of the City, arising out of or in connection with Developer's performance or nonperformance of this Agreement that in any way breaches this Agreement or the intentional, willful, wanton, reckless, or negligent conduct of the Developer or of its directors, officers, agents and/or employees related to Developer's use or control of the home properties it acquires from City pursuant to the CAPP. Without limiting the scope or survivability of other provisions of this Agreement, it is expressly understood and agreed by the Parties that the obligation set forth in this Paragraph 14.1 will survive this Agreement.

14.2. Limitation. The City and any of its appointed officials, directors, officers, elected officials, agents and employees shall not be held harmless or indemnified pursuant to Paragraph 14.1 above for any loss, liability, damage, or expense resulting from its, his, her, and/or their sole negligence or willful misconduct. Still, this Paragraph 14.2 shall not be construed to diminish, to limit, or to affect in any way any other duty Developer may have under this Agreement or otherwise to insure, to defend, to hold harmless, and/or to indemnify the City and any of its appointed officials, directors, officers, elected officials, agents and employees. That is, this Paragraph 14.2 is only intended to limit the duty imposed under Paragraph 14.1 above.

14.3. Governmental Immunity. Nothing stated in this Section 14 shall be construed to waive, limit, or otherwise affect the governmental immunity afforded to the City and/or to any of its appointed officials, directors, officers, elected officials, agents and employees.

SECTION 15. INSURANCE

15.1. In general. In addition to any other insurance the Developer must obtain and keep in force pursuant to any other provision of this Agreement, the Developer shall also obtain and keep in force insurance coverage as set forth in this Section 15.

15.2. Coverage. Except as otherwise specified in this Section 15, the insurance policies acquired by Developer to comply with this Section 15 shall be written for not less than a minimum limit of \$1,000,000 for each occurrence and \$2,000,000 aggregate.

15.3. Types of Coverage to be Obtained and Maintained

Except as specified in this Subsection 15.3, Developer shall obtain and keep in force the following types of insurance coverage until it has completed its performance under this Agreement:

- (A) Worker's Disability Compensation Insurance - Developer shall obtain and keep in force worker's compensation insurance covering all Developer's employees with a coverage amount that is not less than \$500,000 or the minimum level of coverage required by law, whichever is greater.
- (B) Automobile Insurance - Developer shall obtain and keep in force automobile insurance covering all of Developer's motor vehicles.
- (C) General Liability Insurance - Developer shall obtain and keep in force General Liability Insurance.
- (D) Premises Liability and Property Insurance - Developer shall obtain and keep in force dedicated insurance coverage for any and all premises liability exposure for each of the home properties it acquires from the City under the CAPP along with property insurance in the form of an "all-risk" or equivalent

policy in an amount that is twice the State Equalized Value for each such home property. The Developer's obligation to maintain such coverage for a particular home property will continue up through the date of the successful closing of the City-approved sales transaction for the property.

(E) Builder's Risk Insurance - Developer shall obtain and keep in force Builder's Risk Insurance for each of the home properties it acquires from the City under the CAPP. The Developer's obligation to maintain such coverage relative to a particular home property will continue up through the date that the Developer completes rehabilitation/redevelopment activities related to a particular property and the CEDD agrees that said efforts have been successfully completed.

(F) Contractual Liability Insurance - Developer shall obtain and keep in force Contractual Liability Insurance.

(G) Personal Injury Insurance - Developer shall obtain and keep in force Personal Injury Insurance.

(H) Commercial General Liability Insurance - Developer shall obtain and keep in force Commercial General Liability Insurance.

15.4. Miscellaneous

(A) Any insurance policy required under this Section 15 shall be issued by a financially responsible insurance company licensed to write insurance in the State of Michigan. Developer shall furnish City with a certificates of insurance proving that it has in place all insurance coverages required by this Agreement. Each policy shall be endorsed to provide the City with thirty (30) days' written notice of any cancellation or reduction in coverage or non-renewal.

(B) It is not the intent of this Section 15 to require the Developer to obtain duplicative insurance coverages based on the designation of the insurance coverages in this Section 15. The CEDD may modify the requirements of this Section 15 to the degree that insurance coverages overlap as a practical matter under this Section 15.

SECTION 16. WAIVER OF BREACH

No failure by a Party to insist upon the strict performance of any term of this Agreement or to exercise any term after a breach of this Agreement constitutes a waiver of any breach of the term. No waiver of any breach affects or alters this Agreement, but every term of this Agreement remains effective with respect to any other then existing or subsequent breach.

SECTION 17. VENUE

The Parties agree the proper venue for any suit or claim arising out of this Agreement shall be a court of competent jurisdiction in the County of Wayne, State of Michigan.

SECTION 18. NOTICES

18.1. In general. All notices required to be given by either party hereunder shall be in writing and sent by certified mail, return receipt requested, to the following addresses;

City: Mayor's Office
City of Dearborn Heights
6045 Fenton
Dearborn Heights, MI 48127

Developer: [TO BE DETERMINED]

18.2. Change In Notices. Such notices are to be sent with a copy to such persons and addresses as each Party may designate from time to time in writing. Either Party hereto may from time to time change the address to which such notices are to be directed by written notice to said other Party.

SECTION 19. NO THIRD PARTY BENEFICIARY CONTRACT

This Agreement is not intended to create beneficial rights in or for any third party. This Agreement is entered into for the sole benefit of the Parties to this Agreement.

SECTION 20. NO WAIVER OF GOVERNMENTAL IMMUNITY

Nothing in this Agreement is to be construed as a waiver of any governmental immunity by the City or by any person or entity affiliated with the City as provided by statute or court decision.

SECTION 21. INTEGRATED AGREEMENT

This Agreement contains all of the agreements, terms, and conditions made between the Parties with respect to the subject matter of this Agreement. There are no other understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement.

SECTION 22. LAW AND INTERPRETATION

This Agreement shall be construed under the laws of the State of Michigan. Plus, each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party.

SECTION 23. HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 24. SEVERABILITY

The invalidity or illegality of any provision shall not affect the remainder of this Agreement.

SECTION 25. AMENDMENTS

This Agreement may not be modified orally or in any other manner except by an agreement in writing signed by all Parties or their respective successors in interest. No modification, additions, deletions, revisions, alterations, or other changes to this Agreement shall be effective unless and until such change is reduced to writing, duly approved, executed, and delivered by the Parties to each other.

SECTION 26. SUCCESSORS AND ASSIGNS

All of the covenants, provisions, terms, agreements and conditions of this Agreement shall inure to the benefit of and be binding upon the City, the Developer, and their respective successors and assigns.

SECTION 27. AUTHORITY AND COUNTERPARTS

Parties signing in a representative capacity state by their hand, that they are duly authorized to sign this Agreement. This Agreement may be executed separately, and in multiple counterparts, each copy of which shall constitute an original Agreement, and all counterparts, when taken together, will constitute one and the same Agreement.

[THIS SPACE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date(s) reflected below.

**CITY OF DEARBORN HEIGHTS,
A Michigan Municipal Corporation**

[TO BE DETERMINED]

Daniel S. Paletko, Mayor
Dated: _____, 2018

By: _____
Its: _____
Dated: _____, 2018

Walter J. Prusiewicz, Clerk
Dated: _____, 2018

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor shall comply with the Regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation, Title 49, code of Federal Regulations, Part 21 as they may be amended from time to time (hereafter referred to as the "Regulations") which are incorporated herein by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulation, including employment practices when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the City of Dearborn Heights to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the State highway department, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Non-compliance:** In the event of the contractor's non-compliance with the non-discrimination provisions of this contract, the City of Dearborn Heights shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - (a) Withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (b) Cancellation, termination, or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the City of Dearborn Heights may direct as a means of enforcing such provision including sanctions for non-compliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the City of Dearborn Heights to enter into such litigation to protect the interests of the City and, in addition, the contractor may request the State highway department to enter into such litigation to protect the interests of the State and/or the United States to enter into such litigation to protect the interest of the United States.