

FERNDALÉ PUBLIC SCHOOLS  
Request for Proposals  
For  
Purchase of Real Estate – Taft Property  
PROPOSAL FORM

Name of Developer: Community Housing  
Network, Inc.

Contact Person: Kirsten Elliott

Phone: 248-269-1302

Address: 570 Kirts Blvd, Suite 231

E-Mail: kelliott@chninc.net

1. **Earnest Money:** ~~Twenty-Five Five Thousand (\$5,000-25,000.00)~~ Dollars to be submitted within seven (7) days of the final execution of the ~~Offer to Purchase Real Estate~~ Option Agreement via business check.

2. **Purchase Price:** \$ 500,000

3. **Exceptions or Special Conditions:** The developer acknowledges and agrees that it is submitting this Proposal with the understanding that unless the developer sets forth specific exceptions to the terms and conditions of this RFP or the Offer To Purchase Real Estate, that the developer will execute the Offer To Purchase Real Estate attached to the RFP as Appendix E with all of the terms and conditions as contained therein. Please set forth any exceptions or special conditions below:

**Included version of Offer to Purchase Real Estate is proposed to be replaced with the attached version of an Option Agreement. This agreement is substantially the same as the agreement used with the Jefferson School deal we did in July 2015. All Timelines, Option Payments, Due Diligence Period items, Conditions to Close and other miscellaneous terms and conditions are outlined in the Option Agreement. Both Option Agreements must be entered into or neither Option Agreement will be executed. CHN is only interested in the schools if they can control the future of both parcels.**

*(Attach Additional Sheets or mark-up copy of Appendix E with changes, if desired)*

The undersigned represents and warrants to Ferndale Public Schools that she has been duly authorized to execute this proposal on behalf of the developer and that if this Proposal is accepted by Ferndale Public Schools that the same shall be binding upon and fully enforceable against the developer. The developer acknowledges that the School District may accept or reject any proposal in whole or in part in its sole and absolute discretion.

Community Housing Network, Inc.

\_\_\_\_\_  
Print Name of Developer

Kirsten Elliott, VP of Development

\_\_\_\_\_  
Print Name and Title of Authorized Agent

  
\_\_\_\_\_  
Signature of Authorized Agent

Dated: February 25, 2016

FERNDAL PUBLIC SCHOOLS  
Request For Proposals  
For  
Purchase of Real Estate – Wilson Property  
PROPOSAL FORM

Name of Developer: Community Housing  
Network, Inc.

Contact Person: Kirsten Elliott

Phone: 248-269-1302

Address: 570 Kirts Blvd, Suite 231

E-Mail: kelliott@chninc.net

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Community Housing Network, Inc.

Print Name of Developer

Kirsten Elliott, VP of Development

Print Name and Title of Authorized Agent

  
Signature of Authorized Agent

Dated: February 25, 2016

## Appendix D

### **Proposal Information Requirements**

In addition to the information required on the Proposal Form, each developer must include the following information as part of its proposal.

#### Developer Information

- A. Please delineate if the final acquiring entity will be different than that listed on the Proposal Form. If so, what will be the legal form of this entity (*i.e.*, LLC etc.) and how will the developer be involved with this entity?

Community Housing Network, Inc. will form a Limited Dividend Housing Association Limited Partnership to own the real estate. The General Partner of the new LDHA LP will be a wholly owned corporation of Community Housing Network, Inc. The initial Limited Partner will be Community Housing Network, Inc.

- B. Please describe your residential development and construction experience in Michigan and surrounding markets. (List and describe projects)

Please see attached list of housing experience

- C. Please describe three (3) residential communities your firm has acquired, developed or constructed within the past (7) years, in terms of whether it was an in-fill site, location, # of units, price, total project size (in dollar value)..

CHN has been successful in getting 6 allocations of Low Income Housing Tax Credits from the Michigan State Housing Development Authority to develop \$49.7 million of rental housing in Oakland and Macomb County. The developments include:

1. Palmer Pointe Townhomes, 24 units of new construction, Pontiac MI, total development cost of \$5,695,991 – complete and fully leased.
2. Unity Park Rentals, 30 new construction scattered site single family rental homes, Pontiac MI, total development cost of \$8,680,199 – complete and fully leased.
3. Grafton Townhomes, 48 units of new construction, Eastpointe MI, TDC of \$11,621,515 – construction 80% complete, 38% leased
4. Unity Park Rentals III, 12 new construction scattered site single family rental homes, Pontiac MI, TDC of \$3,261,024 – construction started January 2016.
5. Jefferson Oaks, 60 units including 20 units in the school and 40 new townhomes on the property, Oak Park, MI, TDC of \$17,288,200 – construction to begin in August 2016
6. Unity Park Rentals II, 12 new construction scattered site single family rental homes, Pontiac MI, TDC of \$3,208,140 – construction to begin in July 2016

## Appendix D

### Proposed Project Plan

Please provide a detailed overview of your proposed project plan for the development of the Property, including but not limited to, the following:

- A. A detailed site plan that will indicate the number, location and placement of all building sites or other major improvements.
- B. All ingress and egress and any other proposed site features (including retention/detention ponds etc.).
- C. Elevations and floor plans for all proposed residential buildings/models.

**For items A, B & C above – the timing in the RFP does not allow for the development of detailed site plans. That said, we have enclosed a Concept Site Plan that we think will work very well for both sites. We will be using the same development team on these schools that we used on the Jefferson School – Architect – Fusco, Shafer & Pappas, and General Contractor – O'Brien Construction Company. Both of these companies have extensive experience with design and rehab of obsolete schools and the design and construction of new rental housing.**

- D. Pricing plan per model Rents will range from \$285 to \$835 depending on unit size and family income.
- E. Project Schedule. See attachment.
- F. Projected Absorption Rates. **12 units per month.**
- G. A detailed list of all anticipated governmental approvals your development will require. **See Option Agreement for details.**

### Purchase Price and Terms

- A. Please identify your proposed funding source for the Purchase Price. **Proceeds from the sale of Low Income Housing Tax Credits.**
- 8. Do you have any funding contingencies? **Yes – please see Option Agreement.**

## NONPROFIT EXPERIENCE

This page must be included as Exhibit 14

1.	Nonprofit Name:	Community Housing Network, Inc.				
2.	Is the nonprofit entity identified above the same as shown in Section C.3 of the LIHTC Program Application? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If you answered "No", explain the relationship between the nonprofit entity shown here to the nonprofit entity in the application:					
3.	Complete the chart below. Failure to fully complete this chart or clearly define the relationship between the nonprofit entity identified here and in the LIHTC Program Application may result in a loss of points when applying for LIHTC.					
	Name of Project	City and State	Number of Units	Date of Nonprofit Involvement (mm/dd/yy)		Type of Involvement
				Begin	End	
	<b>EXAMPLE:</b> XYZ Project					
	Macomb HOME CHDO I	Ann Arbor, MI	33	04/05/00	06/04/10	Rehabilitated 5 houses with city money.
		Scattered site – Macomb County, MI	4	12/12/02	Ongoing	Owner, developer, property and asset manager
	Macomb HOME CHDO II	Scattered site – Macomb County, MI	7	7/29/05	Ongoing	Owner, developer, property and asset manager
	Macomb HOME CHDO III	Scattered site – Macomb County, MI	10	1/7/08/	Ongoing	Owner, developer, property and asset manager
	Macomb HOME CHDO IV	Scattered site – Macomb County, MI	14	6/30/09	Ongoing	Owner, developer, property and asset manager
	Oakland HOME CHDO I	Scattered site – Oakland County, MI	13	8/1/03	Ongoing	Owner, developer, property and asset manager

Perry Lake Homes	Scattered site – Oakland County, MI	6	3/28/01	Ongoing	Owner, developer, property and asset manager
Laurelton Homes	Scattered site – Oakland County, MI	22	9/28/01	Ongoing	Owner, developer, property and asset manager
Elizabeth Lake Homes	Scattered site – Oakland County, MI	32	4/1/02	Ongoing	Owner, developer, property and asset manager
Group Home Preservation I	Scattered site – Oakland County, MI	18	6/1/03	Ongoing	Owner, developer, property and asset manager
Group Home Preservation II	Scattered site – Oakland County, MI	18	1/1/04	Ongoing	Owner, developer, property and asset manager
Group Home Preservation III	Scattered site – Oakland County, MI	24	6/1/04	Ongoing	Owner, developer, property and asset manager
Oakland County Leasing Assistance 1	Scattered site – Oakland County, MI	27	6/1/03	Ongoing	Developer, asset manager, supportive services provider
Oakland County Leasing Assistance 2	Scattered site – Oakland County, MI	79	6/1/04	Ongoing	Developer, asset manager, supportive services provider
Oakland County Leasing Assistance 6	Scattered site – Oakland County, MI	13	12/01/10	Ongoing	Developer, asset manager, supportive services provider
Oakland County Leasing Assistance 7	Scattered site – Oakland County, MI	14	11/01/11	Ongoing	Developer, asset manager, supportive services provider
Oakland County Leasing Assistance Common Ground	Scattered site – Oakland County, MI	13	5/01/13	Ongoing	Developer, asset manager, supportive services provider
Oakland County Chronically Homeless LAP 1	Scattered site – Oakland County, MI	20	8/1/05	Ongoing	Developer, asset manager, supportive services provider
Oakland County Chronically Homeless LAP 2	Scattered site – Oakland County, MI	20	1/1/06	Ongoing	Developer, asset manager, supportive services provider

Shelter Plus Care	Scattered site – Oakland County, MI	40	2/1/06	Ongoing	Developer, asset manager, supportive services provider
Macomb County Leasing Assistance 1	Scattered site – Macomb County, MI	16	6/1/05	Ongoing	Developer, asset manager, supportive services provider
Macomb County Leasing Assistance 2	Scattered site – Macomb County, MI	16	1/1/06	Ongoing	Developer, asset manager, supportive services provider
Macomb County Leasing Assistance 5	Scattered site – Macomb County, MI	32	8/1/2010	Ongoing	Developer, asset manager, supportive services provider
Macomb County Leasing Assistance 6	Scattered site – Macomb County, MI	4	8/1/2011	Ongoing	Developer, asset manager, supportive services provider
Macomb County Leasing Assistance 7	Scattered site – Macomb County, MI	8	8/1/2011	Ongoing	Developer, asset manager, supportive services provider
Macomb County Chronically Homeless LAP 1	Scattered site – Macomb County	16	7/1/06	Ongoing	Developer, asset manager, supportive services provider
Macomb County Chronically Homeless LAP 5	Scattered site – Macomb County	3	10/1/14	Ongoing	Developer, asset manager, supportive services provider
Independent Choice Housing	Waterford & Madison Heights, MI	10	9/1/06	Ongoing	Owner, developer, property and asset manager
Independent Supportive Housing Oakland I	Southfield & Farmington Hills, MI	8	8/22/08	Ongoing	Owner, developer, property and asset manager
Independent Supportive Housing Oakland II	Ferndale & Hazel Park, MI	12	12/23/10	Ongoing	Owner, developer, property and asset manager
Independent Supportive Housing Oakland III	Southfield, Auburn Hills, and Rochester Hills, MI	15	07/16/13	Ongoing	Owner, developer, property and asset manager
Palmer Pointe Townhomes	Pontiac, MI	24	2/2/12	Ongoing	Owner, developer, supportive services provider
Liberty Hill III	Scattered Site – Wayne County, MI	12	10/28/11	Ongoing	Owner, developer, property and asset manager



Pontiac NSP2	Pontiac, MI	6	10/10/11	Ongoing	Owner, developer
Westland HOME	Westland, MI	6	01/01/13	Ongoing	Owner, developer, property and asset manager
Unity Park Rentals Phase I	Pontiac, MI	32	5/16/13	Ongoing	Owner, developer, supportive services provider
Home of My Own Preservation	Farmington Hills and Rochester Hills, MI	11	11/04/13	Ongoing	Owner, developer, property and asset manager
CHN CHDO HOME	Pontiac, MI	2	06/01/14	Ongoing	Owner, developer, property and asset manager
Grafton Townhomes	Eastpointe, MI	48	07/03/14	Ongoing	Owner, developer, supportive services provider
Unity Park Rentals Phase III	Pontiac, MI	12	07/06/15	Ongoing	Owner, developer, supportive services provider

### Supplemental Information Regarding Owner Experience

Project Name	Owner Role in Project
Macomb HOME CHDO I	CHN acquired and rehabilitated 4 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on
Macomb HOME CHDO II	CHN acquired and rehabilitated 7 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Macomb HOME CHDO III	CHN acquired and rehabilitated 10 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.



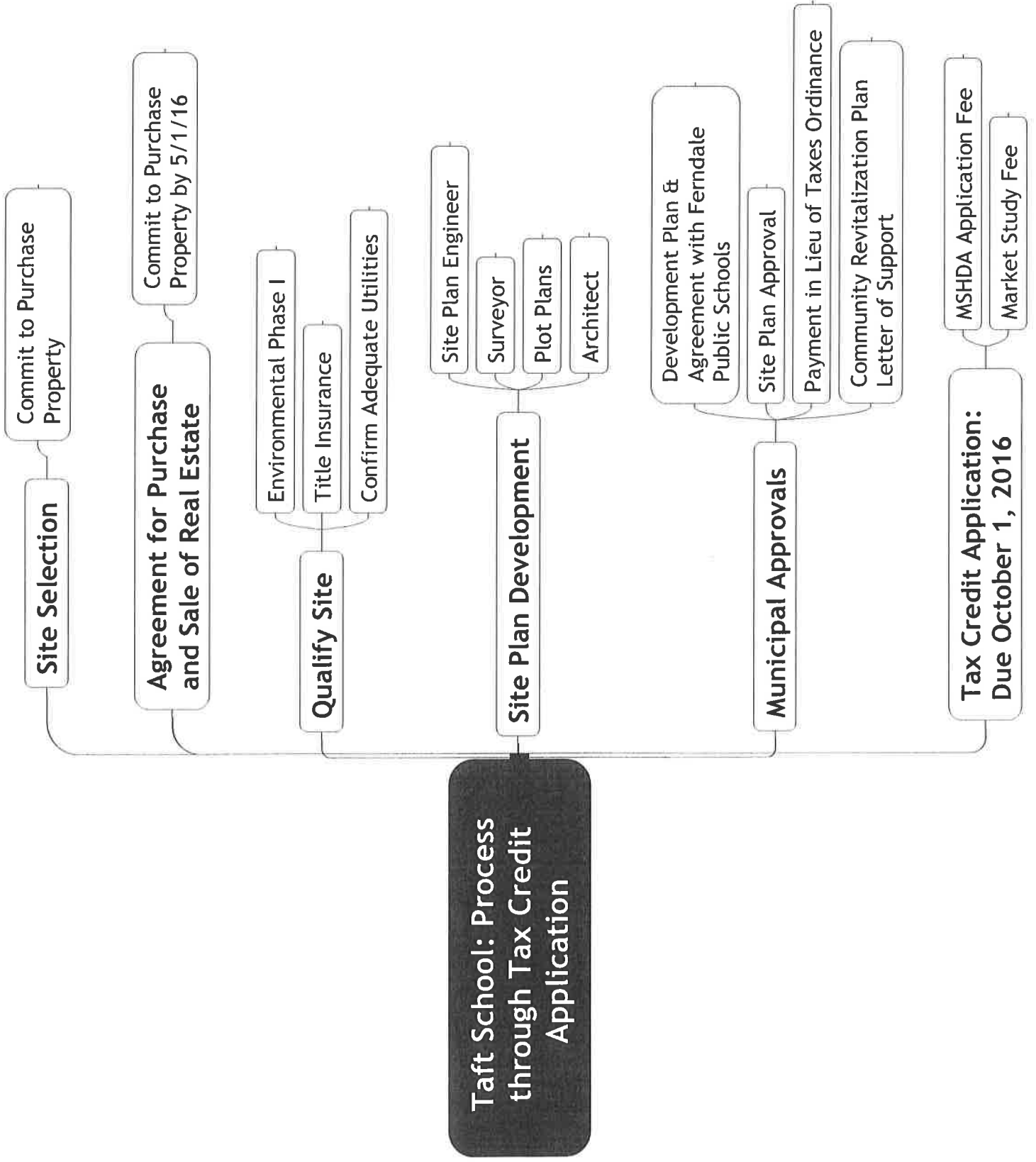
Macomb HOME CHDO IV	CHN acquired and rehabilitated 14 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Oakland HOME CHDO I	CHN acquired and rehabilitated 13 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Perry Lake Homes	CHN acquired and rehabilitated 6 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Laurelton Homes	CHN acquired and rehabilitated 22 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Elizabeth Lake Homes	CHN acquired and rehabilitated 32 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Group Home Preservation I	CHN acquired and rehabilitated 18 units in this project. Responsible for property management including managing rent payments and reserves and income qualifying tenants.
Group Home Preservation II	CHN acquired and rehabilitated 18 units in this project. Responsible for property management including managing rent payments and reserves and income qualifying tenants.
Group Home Preservation III	CHN acquired and rehabilitated 24 units in this project. Responsible for property management including managing rent payments and reserves and income qualifying tenants.
Oakland County Leasing Assistance 1	CHN designed the program, and leased-up 27 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Oakland County Leasing Assistance 2	CHN developed and leased-up 79 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, performing annual inspections on units and certifying tenant program and income eligibility.

Oakland County Leasing Assistance 6	CHN designed the program, and leased-up 79 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Oakland County Leasing Assistance 7	CHN designed the program, and leased-up 14 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Leasing Assistance Program Common Ground	CHN designed the program, and leased-up 13 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Oakland County Chronically Homeless LAP 1	CHN designed the program, and leased-up 20 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Oakland County Chronically Homeless LAP 2	CHN designed the program, and leased-up 20 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Shelter Plus Care	CHN designed the program, and leased-up 40 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb County Leasing Assistance 1	CHN designed the program, and leased-up 16 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb County Leasing Assistance 2	CHN designed the program, and leased-up 16 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb County Leasing Assistance 5	CHN designed the program, and leased-up 4 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb County Leasing Assistance 6	CHN designed the program, and leased-up 4 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.

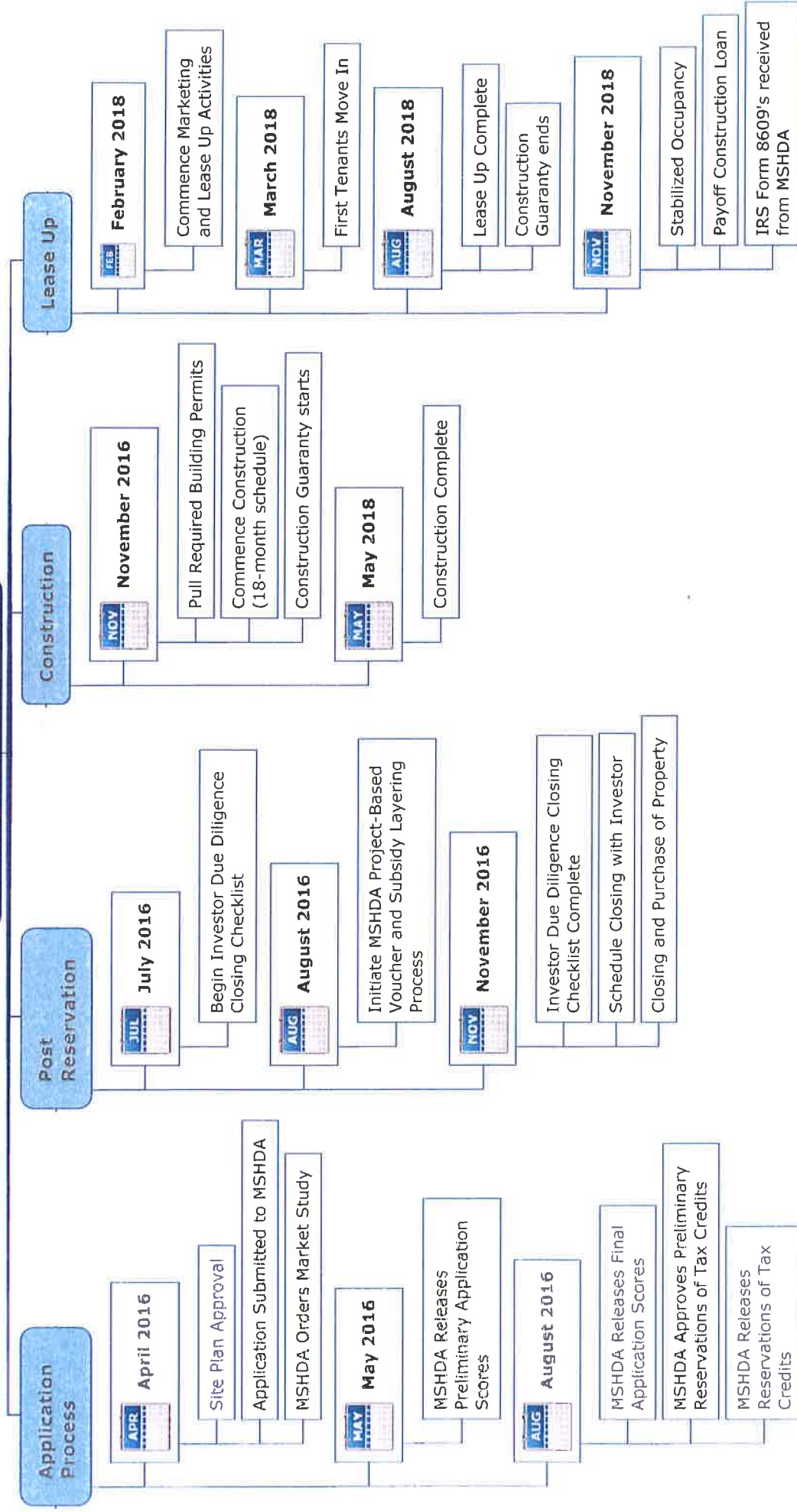
Macomb County Leasing Assistance 7	CHN designed the program, and leased-up 8 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb Chronically Homeless Leasing Assistance Program 1	CHN designed the program, and leased-up 16 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Macomb Leasing Assistance Program 5	CHN designed the program, and leased-up 28 units in this project. Responsible for keeping units leased up and maintaining program occupancy, maintaining program waitlist, marketing and outreach, fiscal management, providing support services, performing annual inspections on units and certifying tenant program and income eligibility.
Independent Choice Housing	CHN acquired and rehabilitated 10 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Independent Supportive Housing Oakland I	CHN acquired and rehabilitated 8 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Independent Supportive Housing Oakland II	CHN acquired and rehabilitated 12 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Independent Supportive Housing Oakland III	CHN constructed 15 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Palmer Pointe Townhomes	CHN constructed 24 units in this project. Responsible managing the property manager, leasing up special needs units (6), including tenant certification and providing supportive services.

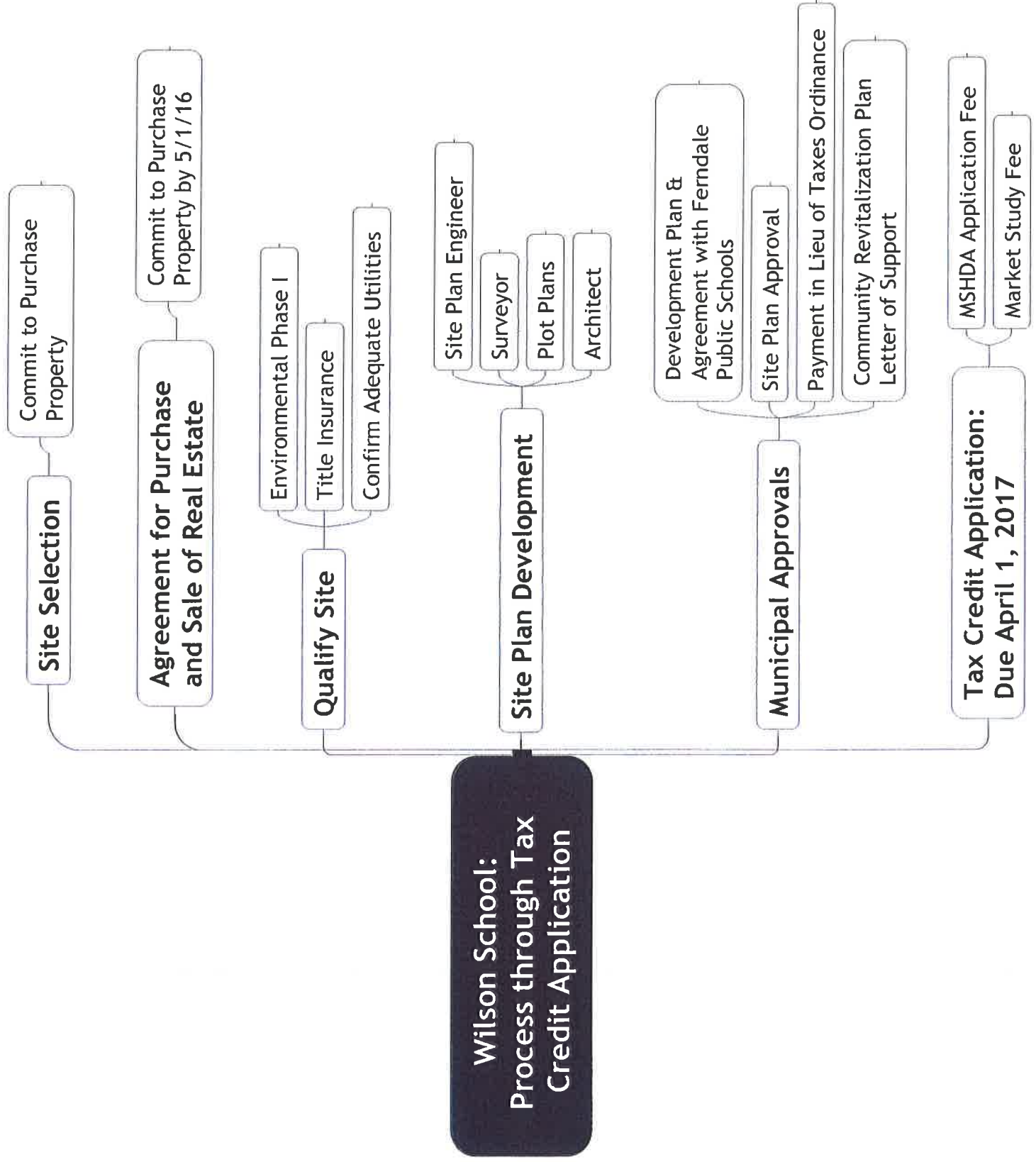
Liberty Hill III	CHN constructed 12 units in this project. Responsible for managing draws and project budget, marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Pontiac NSP 2	CHN constructed 6 units in this project. Acted as realtor and sold 6 units, including qualifying homebuyers.
Westland HOME	CHN acquired and rehabilitated 6 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Unity Park Rentals I	CHN constructed 32 units in this project. Responsible managing the property manager and leasing up special needs units (8), including tenant certification and providing supportive services.
Home of My Own Preservation	CHN preserved 11 units in this project. Responsible for property and asset management including keeping units leased up, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Grafton Townhomes	CHN is constructing 48 units in this project. Responsible for managing the property manager and leasing up special needs units (12), including tenant certification and providing supportive services.
CHN CHDO HOME	CHN acquired and is rehabilitating 2 units in this project. Responsible for marketing and executing the affirmative fair housing marketing plan, property and asset management including keeping units leased up, managing the wait list, certifying that supportive services are in place for tenants who require them, and performing annual inspections on units.
Unity Park Rentals Phase III	CHN is constructing 12 units in this project. Responsible for managing the property manager and leasing up special needs units (6), including tenant certification and providing supportive services.





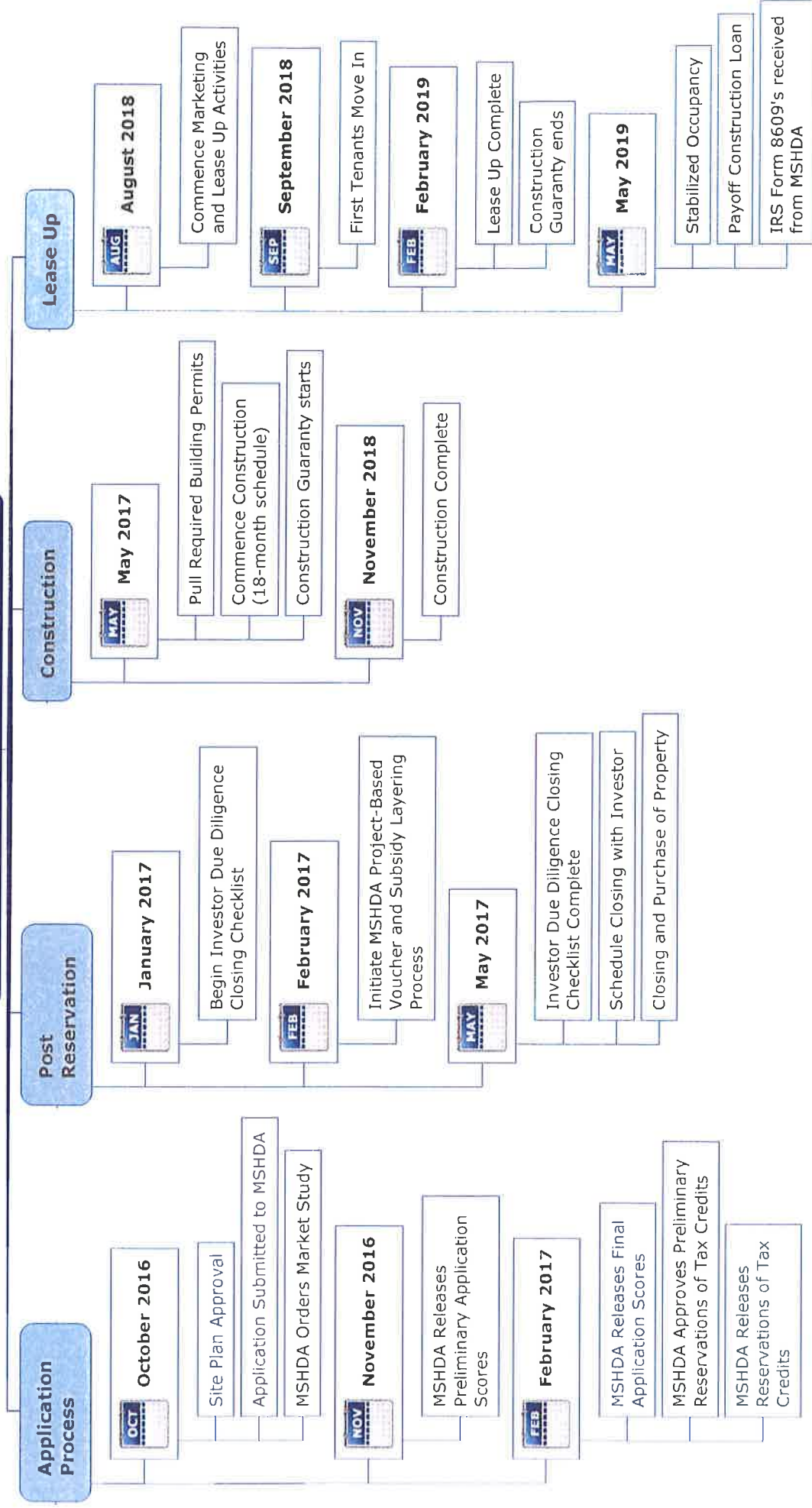
# Taft School Project Timeline







# Wilson School Project Timeline



Appendix E

Form of Offer To Purchase Real Estate

Attached

## OPTION AGREEMENT

This Option Agreement ("Agreement") is made and entered into this 1st day of May, 2016, between Ferndale Public Schools, a Michigan public school corporation, with offices located at 871 Pinecrest Street, Ferndale, MI 48220 (hereinafter, "Optionor") and Community Housing Network, Inc., a Michigan nonprofit corporation, with offices located at 570 Kirts Blvd, Suite 231, Troy MI 48084 (hereinafter "Optionee").

Recitals:

WHEREAS, Optionor is the owner of certain property commonly known as the Taft Property located at 427 Allen Avenue, Ferndale, MI 48220, being Property ID #25-34-354-001, more particularly described on the attached Exhibit A incorporated herein by reference (the "Parent Parcel");

WHEREAS, Optionee desires to obtain an exclusive option to purchase the Property from Optionor and Optionor is prepared to grant to Optionee such option, all as hereinafter defined.

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant; Term of Option. Optionor grants to Optionee the exclusive option to purchase the Property (the "Option") for the Purchase Price described below, subject to the terms and conditions hereof. This Option is effective from the date above set forth ("Effective Date") until 5:00 p.m. on the 30<sup>th</sup> day of June 2017 (the "Term"). In the event Optionee does not timely and properly exercise the Option prior to the expiration of the Term, or if Optionee fails to tender timely the Additional Payments referenced in Section 2 below or any other required Option Fee (time being declared of the essence), this Agreement shall automatically terminate without notice to Optionee and thereafter shall be of no force or effect. In addition, if Optionee exercises the Option timely and properly but fails to timely consummate the purchase of the Property in accordance with the terms of this Agreement through no fault of Optionor, Optionee's rights hereunder shall be of no further force and effect and if such failure constitutes a default by Optionee hereunder, Optionor may pursue those remedies available to Optionor as are provided herein, at law or in equity. Any exercise of the Option shall be strictly in accordance with the terms hereof.

2. Price of Option.

- (a) Initial Payment. The Optionee hereby pays the Optionor \$5,000.00 (the "Initial Payment"), receipt of which is hereby acknowledged, as consideration for the granting of this Option. This Initial Payment shall apply to the Purchase Price (as hereinafter defined) if this Option to purchase is timely and properly exercised. If the Option is not timely and properly exercised by the Optionee, the Optionor

shall retain the Initial Payment and have no further obligations under the Option Agreement.

- (b) Additional Payments. Optionee shall make additional non-refundable, but applicable Option payments (the "Additional Payments", together with the Initial Payment, the "Option Fees") as follows:
- (i) \$5,000 – MSHDA & CHN approval of required Market Study and Environmental Phase 1 report (estimate August 15, 2016 but no later than September 15, 2016)
  - (ii) \$5,000 – Final approval of City of Ferndale Site Plan, PILOT, and Zoning requirements (estimate September 15, 2016 but no later than September 30, 2016)
  - (iii) \$10,000 – CHN review list of MSHDA applications received for the October 1, 2016 funding round (estimate November 15, 2016 but no later than November 30, 2016)
  - (iv) \$10,000 – Receipt of a Reservation of Low Income Housing Tax Credits from MSHDA (estimate January 15, 2017 but not later than March 1, 2017)

All Additional Payments shall apply to the Purchase Price if the Option to purchase the Property is exercised. If the Option is not timely exercised by the Optionee, or if Optionee fails to timely make any required Additional Payments, the Optionee's option rights herein shall terminate automatically without notice, the Optionor shall retain all Option Fees and have no further obligations under the Option Agreement, but Optionee shall remain obligated to satisfy its indemnity and/or restoration obligations imposed by Section 7 below.

3. **Option Extension.** The Optionee shall have the right to extend the Term of this Option upon written notification to the Optionor for one (1) additional period of six (6) months. The fee for the extension of the Option for this additional period shall be \$10,000.00 (and shall be deemed an Option Fee), which shall also be applied to the Purchase Price if the Option is exercised or retained by Optionor in all other cases. To extend, the Optionee shall notify the Optionor of this election in writing at least 10 days prior to the expiration of this Option, which notice shall include the stated extension fee payable to the Optionor.

4. **Method of Exercising Option.** To exercise this Option, the Optionee shall notify the Optionor in writing that is it exercising the Option and such notice shall be received by the Optionor on or before the expiration of the Term of this Option.

5. **Purchase Price.** The total purchase price ("Purchase Price") of the real property upon exercise of this Option Agreement shall be an amount equal to the Five Hundred Thousand Dollars and Zero Cents (\$500,000.00).

6. **Title.** Within 30 days of the Legal Description Date (as defined below), Optionor shall order a title commitment for an Owner's Policy of title insurance naming the Optionee as the

proposed insured with coverage in the amount of the Option Purchase Price of \$500,000.00. Within 30 days of Optionee's receipt of such Commitment, Optionee shall advise Optionor of any objections to the state and quality of title. Optionee acknowledges that Optionor has provided to Optionee a survey of the Property which is provided solely as a convenience to Optionee. Optionee shall have 30 days from the date of its receipt of the Commitment to inform Optionor in writing (the "Title Objection Letter") of any objections Optionee has to the condition of title, each a "Title Objection." Optionee shall specify any Title Objections not later than 30 days following Optionee's receipt of the Commitment, failing which Optionee shall be deemed to have accepted the state and quality of title as evidence thereby (the "Permitted Exceptions"). Optionor may, but shall not be obligated to, undertake to cure the items referenced in the Title Objection Letter or eliminate any such title objection to the reasonable satisfaction of Optionee and/or to the extent possible cause the title company to insure over any of such items or title defects to the satisfaction of Optionee and accordingly modify the Title Commitment. In the event Optionor elects not to effect such cures or is either unable to do so, or have the title company so insure over Optionee's Title Objections within 30 days after receipt by Optionor of the Title Objection Letter, Optionee may either (i) waive any of its title objections set forth in the Title Objection Letter without any adjustment to the Purchase Price or (ii) terminate this Agreement in either event by giving prompt written notice thereof to Optionor. In the event Optionee elects to terminate this Agreement, the Option Fees shall be returned to Optionee and neither Optionor nor Optionee shall have any further obligations under this Agreement except for Optionee's indemnity and restoration obligations which shall continue. Upon the exercise of this Option by the Optionee, Optionee shall obtain an update to the Commitment for an owner's Title Policy at its own cost. If the update reflects any encumbrances which were not reflected in the original Commitment which were not caused by Optionee and which materially interfere with Optionee's proposed development, the Optionee shall be entitled to object to same as provided above. In the event Optionor fails to correct same, Optionee may terminate this Option and be entitled to the return of all Option Fees and all provisions of this Option Agreement shall be null and void.

7. **Right to Enter Property.** Following the Legal Description Date, Optionee shall have the right to enter the Property for the purpose of conducting inspections and for any other site evaluations deemed necessary by the Optionee. From and after the Effective Date, Optionor agrees that Optionee and its agents and representatives shall, subject to arranging all onsite visits with Optionor, be entitled to enter upon the Property for inspection, soil tests, examination, land-use planning and for any due diligence investigation relating to Optionee's proposed ownership of the Property. As to any such investigation, Optionee shall restore the Property to the same condition as existed prior to any such investigation (which obligation shall survive the termination hereof) , and shall not: (i) perform any invasive tests without Optionor's prior consent or (ii) interfere with the possessory rights of Optionor. Optionee shall indemnify and hold harmless Optionor from and against, and to reimburse Optionor with respect to any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) asserted against or incurred by Optionor by reason of or arising out of any such on-site investigation, it being acknowledged that all such obligations shall survive Closing or the termination of this Agreement. Upon request, Optionee shall provide evidence of liability insurance which shall supplement Optionee's indemnity obligation.

8. **Due Diligence Period.** The Optionee shall use the Term of Option to conduct such investigations as the Optionee deems necessary in order to determine whether the Property is suitable for the Optionee's intended use. Such due diligence may include, but shall not be limited to:

- (a) Investigating the availability of utility services, including but not limited to, gas, water, electricity, sanitary sewer, storm sewer and telephone service, with sufficient capacity to meet the Optionee's requirements for such utility services;
- (b) Investigating all applicable zoning ordinances, regulations, building codes and restrictions to determine whether such will permit use of the Property for the Optionee's intended use;
- (c) Making soil tests, borings and other environmental, engineering and architectural tests to ascertain that the Property is suitable for construction of the improvements contemplated by the Optionee;
- (d) Determining whether the City of Ferndale will approve a site plan and issue a building permit for the facility or project the Optionee desires to construct on the Property; and
- (e) Determining whether the City of Ferndale will approve a Payment In Lieu of Taxes Ordinance for the project the Optionee desires to construct on the Property.
- (f) Receipt of a Commitment and/or Reservation of Low Income Housing Tax Credits from Michigan State Housing Development Agency in an amount satisfactory to Optionee;
- (g) Receipt of a Commitment for a mortgage loan in an amount satisfactory to Optionee;
- (h) A current appraisal supporting the Purchase Price;
- (i) That the Optionee has obtained the approval of all parties for the transaction contemplated by this Agreement;

Upon the exercise of the Option, Optionee shall be deemed to have satisfied and waived the contingencies set forth in this Section 8.

9. **Conditions to the Optionee's Obligation to Close.** In addition to all other conditions set forth in this Agreement, the obligation of the Optionee to consummate the transactions contemplated hereunder shall be contingent upon the following:

- (a) Optionor's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date;

- (b) As of the Closing Date, Optionor shall have performed its obligations hereunder in all material respects and all deliveries to be made at Closing by Optionor shall have been tendered;
- (c) As of the Closing Date, there shall exist no pending action, suit or proceeding with respect to Optionor before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transaction contemplated hereby.

10. **Assignment.** Optionee shall have the right to assign this Option Agreement to a controlled entity to be formed.

11. **Reserved.**

12. **Closing.** Prior to the Closing of the sale, it shall be the responsibility of the Optionee to (i) meet the applicable deadlines (ii) procure the necessary approvals and (iii) cause the appropriate closing documents to be prepared. The Closing of the sale shall occur by the payment of the Purchase Price by the Optionee, and by the execution and delivery of a Covenant Deed by the Optionor in the form attached hereto as Exhibit C. This sale shall be closed within one hundred eight (180) days of the exercise of this Option. Possession shall be delivered at the time of Closing, unless delivered prior to Closing by the mutual consent of both parties.

13. **Notices.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when physically delivered or three (3) days after having been deposited in the United States Mail, addressed to the recipient as follows:

If to Optionor:

Blake Prewitt, Superintendent  
Ferndale Public Schools  
871 Pinecrest Street  
Ferndale, MI 48220

If to Optionee:

Kirstin Elliott, Vice President  
Community Housing Network, Inc.  
570 Kirts Blvd., Suite 231  
Troy, MI 48084

14. **Successors and Assigns.** This Option agreement shall inure to the benefit of the parties successors and assigns.

15. **Due Diligence Items.** As soon as reasonably possible following the Effective Date, the following items (collectively, the "Due Diligence Items") shall be obtained by and/or delivered to the Optionee:

- (a) Optionor shall deliver to Optionee a copy of any existing survey of the Parent Parcel, if any, in Optionor's possession (the "Survey"); and
- (b) Optionor shall deliver to Optionee a copy of any existing environmental reports of the Parent Parcel, if any, in Optionor's possession.

Optionee acknowledges and agrees that except for such items which are in the public



records, the Due Diligence Items are proprietary and confidential in nature and have been or will be made available to Optionee solely to assist Optionee in determining the feasibility of purchasing the Property. Optionee agrees not to disclose the Due Diligence Items or any of the provisions, terms or conditions thereof to any party outside of Optionee's organization except: (i) as to Optionee's accountants, attorneys, lenders, prospective lenders, investors and/or prospective investors (collectively, the "Permitted Outside Parties"), (ii) contractors obtained to provide new or updated reports regarding the Property, and (iii) as may be required by law. In permitting Optionee and the Permitted Outside Parties to review the Due Diligence Items to assist Optionee, Optionor has not waived any privilege or claim of confidentiality with respect thereto and no third party benefits of any kind, either expressed or implied, have been offered, intended or created by Optionor and any such claims are expressly rejected by Optionor and waived by Optionee.

Optionee shall return to Optionor all of the Due Diligence Items and any and all copies Optionee has made of the Due Diligence Items at such time as this Agreement is terminated for any reason other than Optionor's default. In the event this Agreement is terminated as a result of Optionor's default, Optionee shall return all the Due Diligence Items and any and all copies Optionee has made of the Due Diligence Items to Optionor. Optionee's obligations under this Section 4 shall survive the termination of this Agreement.

Optionee acknowledges that the Due Diligence Items were prepared by third parties other than Optionor. Optionee further acknowledges and agrees that except as specifically set forth herein: (i) neither Optionor nor any of its officers, agents, employees or contractors have made any warranty or representation regarding the truth, accuracy or completeness of the Due Diligence Items or the sources thereof and Optionee has not relied on the truth or completeness of the Due Diligence Items and (ii) Optionor has not undertaken any independent investigation as to the truth, accuracy and completeness of the Due Diligence Items and is providing the Due Diligence Items or making the Due Diligence Items available to Optionee solely as an accommodation to Optionee.

16. **Permitted Exceptions.** Optionor shall convey the Property to Optionee subject to (i) easements and rights of public utilities as evidenced by the Title Commitment and matters which would be disclosed by an accurate survey of the Property, (ii) covenants, conditions, private easements and restrictions, (iii) real estate taxes and assessments for the then current year as are not due and payable as of the date of Closing, (iv) encumbrances or exceptions to title shown on the Title Commitment and/or Survey to which Optionee does not object or which with Optionee's consent are waived and accepted or insured over and (v) the development and use restrictions set forth in Paragraph 18 hereof.

17. **Optionor's Obligations at the Closing.** At the Closing, Optionor shall:

- (a) execute and deliver to Optionee the Deed conveying the Property in the form attached hereto as **Exhibit C**;
- (b) execute and deliver to Optionee a closing statement itemizing the Purchase Price which is not subject to adjustments thereto as provided herein;

- (c) execute and deliver to Optionee a Non-Foreign Persons Affidavit in the form attached hereto as **Exhibit D**;
- (d) execute and deliver to Optionee such other documents or instruments as may be required under this Agreement, or as otherwise required in Optionee's reasonable opinion to effectuate the Closing.

18. **Closing Costs**. At the Closing, Optionee shall pay to Optionor the net Purchase Price. Optionee shall be responsible for all costs to close, including but not limited to, (a) all premiums and fees related to the Title Policy, including endorsement premiums or any charges for extended coverage endorsements, (b) the real estate brokerage commissions payable by reason of the transactions contemplated by this Agreement, and (c) pay all transfer taxes due upon recording of the Deed, if any. Optionee shall pay any escrow charges and each party shall pay their own attorneys' fees. Any and all other costs and expenses of the Closing shall be paid by Optionee.

19. **Prorations**. Real estate taxes, water and sewer rents and charges on the Property, including special assessments which have been levied upon or become a lien against the property as of the Closing and which are otherwise due and payable, shall be paid by Optionor. Real estate taxes and current installments of special assessments for the current period shall be prorated and adjusted as of the Closing on a due date basis with the summer taxes being deemed to be paid in advance and the winter taxes being deemed to be paid in advance. Optionee shall be responsible to pay any installments of special assessments which are due after Closing.

20. **Possession**. Optionor shall deliver exclusive possession of the Property to Optionee at Closing.

21. **ACKNOWLEDGEMENT**. **OPTIONEE UNDERSTANDS AND ACKNOWLEDGES THAT OPTIONOR HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTIES WHATSOEVER, ORAL OR WRITTEN, EXPRESS OR IMPLIED, TO OPTIONEE WITH RESPECT TO THE CONDITION, STATE OF REPAIR OR OPERABILITY OF THE PROPERTY (INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, OR UNDER THE PROPERTY OF ANY HAZARDOUS MATERIALS OR SUBSTANCES, SOIL OR SUB-SOIL CONDITIONS, ALL IMPROVEMENTS THEREON, THE STRUCTURAL PORTIONS THEREOF, AND THE PERSONAL PROPERTY, MECHANICAL, PLUMBING, ELECTRICAL, SEWER, SANITARY DISPOSAL, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS AND OTHER BUILDING SERVICE EQUIPMENT THEREIN), WITH RESPECT TO THE SUITABILITY OR FITNESS FOR THE OPTIONEE'S INTENDED USE OR PURPOSE OR WITH RESPECT TO THE APPRECIATION OR INCOME POTENTIAL OF THE PROPERTY, THE ZONING OF THE PROPERTY, THE PLATTING OF THE PROPERTY, THE AVAILABILITY OR ADEQUACY OF UTILITIES TO THE PROPERTY, ACCESS TO THE PROPERTY, REQUIREMENTS IN CONNECTION WITH ANY DEVELOPMENT OF THE PROPERTY OR ANY OTHER MATTER WHATSOEVER. OPTIONEE FURTHER HEREBY ACKNOWLEDGES AND AGREES THAT OPTIONEE HAS INVESTIGATED OR**

WILL INVESTIGATE ALL MATTERS OF CONCERN TO OPTIONEE WITH RESPECT TO THE PROPERTY AND THAT OPTIONEE IS NOT RELYING AND HEREBY EXPRESSLY WAIVES ANY RELIANCE ON ANY REPRESENTATION OR WARRANTY, ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF OPTIONOR WITH RESPECT TO SUCH MATTERS. OPTIONEE AGREES TO PURCHASE THE PROPERTY AND ALL IMPROVEMENTS THEREON AND MECHANICAL SYSTEMS THEREIN DELIVERED TO OPTIONEE, AS IS, WHERE IS, WITH ALL FAULTS. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, OPTIONEE HEREBY RELEASES OPTIONOR FROM ANY LIABILITY, CLAIMS, DAMAGES, EXPENSES OF ANY KIND OR NATURE, OR ANY OTHER CLAIM RESULTING FROM THE PRESENCE, REMOVAL OR OTHER REMEDIATION OF HAZARDOUS MATERIALS OR SUBSTANCES IN, ON, UNDER OR ABOUT THE PROPERTY OR WHICH HAS MIGRATED FROM ADJACENT LANDS ONTO THE PROPERTY OR FROM THE PROPERTY TO ADJACENT LAND. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE CLOSING.

22. **Default by Optionor.** In the event that Optionor should fail to consummate the transactions contemplated by this Agreement for any reason following the exercise of the Option, excepting Optionee's default or the failure of any of the conditions to Optionor's obligations hereunder to be satisfied or waived and such default continues for five (5) business days following written notice from Buyer of such default, Optionee may terminate this Agreement by giving prompt written notice thereof to Optionor, or specifically enforce this Agreement; provided, however, that in the event that such failure of Optionor was beyond Optionor's reasonable control, Optionee's sole remedy shall be to so terminate this Agreement; provided, further, in the event Optionee elects to specifically enforce this Agreement it must institute such action within thirty (30) days following Optionor's default, failing which Optionee shall be deemed to have waived the right to pursue specific performance.

23. **Default by Optionee.** In the event Optionee should fail to consummate the transaction contemplated herein for any reason, except default by Optionor or the failure of any of the conditions to Optionee's obligations hereunder to be satisfied or waived, Optionor may retain the Deposit and terminate this Agreement by giving prompt written notice thereof to Optionee, or specifically enforce this Agreement.

24. **Attorney's Fees.** Should either Optionor or Optionee employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any matter arising under this Agreement or to recover damages for the breach of this Agreement, the losing party in any final judgment agrees to pay the prevailing party all reasonable costs, charges, and expenses, including reasonable attorney's fees, expended or incurred by it in connection therewith.

25. **Brokerage Commissions.** Each party represents to the other that no brokers have been involved in this transaction, and that Broker has represented Optionee. In the event that this transaction is consummated and Closing occurs, Optionee shall pay Broker a real estate commission as set forth in a separate written agreement. Optionor and Optionee agree that if any other claims for brokerage commissions are ever made against Optionor or Optionee in connection with this transaction, all claims shall be handled and paid by the party whose actions or alleged commitments form the basis of such claim. Optionor agrees to indemnify and hold

Optionee harmless from any loss, liability, damage, cost, or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Optionee by reason of any claim to any broker's, finder's, or other fee in connection with this transaction by any party claiming by, through, or under Optionor. Optionee agrees to indemnify and hold Optionor harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Optionor by reason of any claim to any broker's, finder's, or other fee in connection with this transaction by any party claiming by, through, or under Optionee, which obligation of each party shall survive the Closing.

26. **Risk of Loss.** All risk of loss or damage to the Property prior to Closing, including, without limitation, loss by fire, windstorm, or other casualty, shall rest with Optionor. If, prior to the Closing, the Property is damaged as a result of fire or other casualty, Optionor shall give Optionee written notice thereof and either party shall have the option, exercisable by written notice to the other party within thirty (30) days after the occurrence of such damage or casualty, to terminate this Agreement, in which event neither Optionor nor Optionee shall have any further obligations under this Agreement and the Optionee shall receive the prompt return of the Initial Deposit and Option Fees. If neither party terminates this agreement within such period, the transaction will proceed as contemplated herein, without an adjustment to the Purchase Price, and, at Closing, the Optionor shall assign to the Optionee all of Optionor's right, title and interest in any insurance claims relative to the casualty.

27. **Notices.** Any notice to be given or to be served upon either party hereto in connection with this Agreement must be in writing and shall be given by certified or registered mail (return receipt requested), by overnight express delivery or facsimile (followed by hard copy by either of the two preceding methods of delivery). Such notice shall be given the parties hereto at the addresses set forth on the signature page of this Agreement and be deemed delivered upon delivery or on the date when the receiving party first refuses to accept such delivery. Either party may at any time, by giving five (5) days written notice to the other, designate any other address in substitution of any of the foregoing addresses to which such notice shall be given and other parties to whom copies of all notices hereunder shall be sent.

28. **Use Restriction; Obligation to Build.**

- (a) Optionee acknowledges and agrees that the Deed shall contain the restrictive covenants identified in the form of Deed attached hereto as **Exhibit C.**
- (b) Optionee shall construct all improvements to and within the Property in accordance with the plans that have been approved by the Optionor. Purchaser's obligation under this Section shall be reaffirmed at Closing by the execution of a supplemental agreement in form and content acceptable to Optionor. Optionee shall commence construction of such improvements within six (6) months from the Closing date and shall complete such improvements within eighteen (18) months from the Closing date. For purposes of the foregoing, commencement of construction shall mean that Optionee has obtained all permits and approvals necessary for the construction of such improvements and that all necessary utility improvements and building footings have been installed.

- (c) In the event that Optionee does not construct its improvements within the Property as provided in Section 28(b), the Optionee shall have the option to re-purchase the Property from Optionee for a purchase price equal to the Purchase Price. At the closing for any such re-purchase of the Property by Optionor, Optionee shall be responsible for the payment of all transfer taxes payable in connection with such transaction and the title insurance premium for a title insurance policy issued by the Title Company, subject only to the Permitted Exceptions and any other matters that have been approved by Optionor prior to such closing.

29. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, without giving effect to principals of conflicts of law.

30. **Modification.** This Agreement may only be modified or otherwise amended by a written instrument executed by duly authorized representatives of Optionor and Optionee.

31. **Time of Essence.** Time is of the essence of this Agreement. In the event this Agreement is not accepted by Optionor on or before July 30, 2015, same being the Expiration Date of the Offer, and a copy thereof delivered to Optionee, then this Agreement shall be null and void, and all offers set forth herein shall be deemed withdrawn.

32. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

33. **Board Approval.** Prior to June 30, 2016, Optionor shall submit to Optionor's board this Agreement and request the approval thereof and such other authorizations as Optionor deems necessary to proceed with the transaction contemplated by this Agreement. If the Optionor is unable to obtain such approvals prior to the Expiration Date of this Offer, Optionor shall have the right to terminate this Agreement and the Initial Payment shall be returned to Optionee.

Agreed and accepted as of the date first set forth above.

OPTIONOR:  
FERNDAL PUBLIC SCHOOLS

By: \_\_\_\_\_  
Blake Prewitt  
Its: Superintendent

OPTIONEE:  
COMMUNITY HOUSING NETWORK, INC.

By: \_\_\_\_\_  
Kirsten Elliott  
Its: Vice President

**EXHIBIT A**  
**PARENT PARCEL**  
**LEGAL DESCRIPTION**

Tax Id Number: 25-34-354-001

**EXHIBIT B**

**RESERVED**



## EXHIBIT C

### FORM OF DEED

To be modified to conform to recording and other requirements of the Subject State.

### COVENANT DEED

For the consideration of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation, whose address is \_\_\_\_\_, the Grantor, does hereby convey to \_\_\_\_\_, whose address is \_\_\_\_\_, the Grantee, the following described property in the \_\_\_\_\_ of \_\_\_\_\_, County of Oakland, State of Michigan:

See Exhibit A attached hereto and made a part hereof.

Commonly known as \_\_\_\_\_

Tax Parcel ID # [ \_\_\_\_\_ ]

Subject to: Current taxes and other assessments, and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities, if any, and the matters described on Exhibit B attached hereto and made part hereof.

If the land being conveyed is unplatted, the following is deemed to be included: This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

The Grantor grants to Grantee the right to make all divisions under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967, as amended. The forgoing transfer of rights to make divisions is not intended to constitute a guarantee by Grantor that such number of divisions or any number of divisions are available.

And the GRANTOR hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Exempt from state and county transfer taxes claimed under MCL 207.526(h)(i) and MCL 207.505(5)(h)(i).

DATED: \_\_\_\_\_, 201 \_\_\_\_\_

**FERNDALÉ PUBLIC SCHOOLS, a Michigan public  
school corporation**

By: \_\_\_\_\_  
Print name:

Its: \_\_\_\_\_

STATE OF )  
 )ss.  
COUNTY OF )

This instrument was acknowledged and executed before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of FERNDALE PUBLIC SCHOOLS, a Michigan public school corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
County, \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
[Notary's Seal]

PREPARED BY AND RECORDED  
AT THE REQUEST OF:  
Joseph M. Fazio, Esq.  
Miller, Canfield, Paddock and Stone, P.L.C.  
101 North Main, Seventh Floor  
Ann Arbor, Michigan 48104  
(734) 663-2445

WHEN RECORDED RETURN TO:

Grantee

SEND SUBSEQUENT TAX BILLS TO:

Grantee

Exhibit A  
to Covenant Deed  
(Legal Description)

Exhibit B  
to Covenant Deed

Development Agreement and Use Restrictions

1. Development Agreement and Use Restrictions

- a. Covenant. In addition to the Purchase Price paid by Grantee to Grantor, Grantee agrees, as part of the consideration for Grantor agreeing to sell the property described in Exhibit A (the "Property") to Grantee, to develop and use the Property for the following purposes and no other without Grantor's prior written consent:

Multi-family Residential Housing

b. Defaults and Remedies.

- i. The foregoing covenant shall attach to and run with the land and it shall be lawful for the Grantor, or its successors or assigns, to institute and prosecute any proceedings at law or in equity against any person or persons violating or threatening to violate the same.
- ii. It is further agreed by Grantee that the foregoing covenant shall, as between Grantor and Grantee, and its successors and assigns, be deemed to be and construed as express conditions subsequent on which the conveyance of the Property is made. If Grantee, its successors or assigns, or any of them, shall neglect or fail to perform or strictly comply with the foregoing covenant, Grantor, or its successors or assigns, may at any time thereafter, serve on Grantee, or its successor or assigns, a notice in writing specifying the default or breach thereof and directing Grantee, or its successors or assigns, to remedy such default or breach.
- iii. If Grantee, or its successor, for a period of thirty (30) days thereafter fails to remedy such default or breach, Grantor, or its successors or assigns, shall be entitled to pursue applicable remedies at law or in equity. The parties agree that any violation by Grantee of the foregoing covenant may cause irreparable injury or damage to Grantor, the amount of which will be extremely difficult, if not impossible to determine, and which cannot be adequately compensated by monetary damages alone. Therefore, if Grantee breaches or threatens to breach the foregoing covenant, in addition to any other remedies which may be available to Grantor under this Agreement, at law or in equity, Grantor may obtain an injunction, restraining order or other equitable relief against Grantee and such other persons and entitled as are appropriate.

## EXHIBIT D

### NON-FOREIGN PERSONS AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee (purchaser) of a United States real property interest must withhold tax if the transferor (seller) is a foreign person. This affidavit is to inform interested parties that withholding of tax is not required upon the disposition of a United States real property interest by FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation ("Transferor"), the undersigned certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's United States employer identification number is \_\_\_\_\_;
3. Transferor's office address is \_\_\_\_\_.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation

By: \_\_\_\_\_  
Print Name:

Its: \_\_\_\_\_

Dated as of \_\_\_\_\_, 201\_\_\_\_

## OPTION AGREEMENT

This Option Agreement ("Agreement") is made and entered into this 1st day of May, 2016, between Ferndale Public Schools, a Michigan public school corporation, with offices located at 871 Pinecrest Street, Ferndale, MI 48220 (hereinafter, "Optionor") and Community Housing Network, Inc., a Michigan nonprofit corporation, with offices located at 570 Kirts Blvd, Suite 231, Troy MI 48084 (hereinafter "Optionee").

### Recitals:

WHEREAS, Optionor is the owner of certain property commonly known as the Wilson Property located at 1224 Paxton Street, Ferndale, MI 48220, being Property ID #25-34-276-001, more particularly described on the attached Exhibit A incorporated herein by reference (the "Parent Parcel");

WHEREAS, Optionee desires to obtain an exclusive option to purchase the Property from Optionor and Optionor is prepared to grant to Optionee such option, all as hereinafter defined.

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Grant; Term of Option.** Optionor grants to Optionee the exclusive option to purchase the Property (the "Option") for the Purchase Price described below, subject to the terms and conditions hereof. This Option is effective from the date above set forth ("Effective Date") until 5:00 p.m. on the 30<sup>th</sup> day of December 2017 (the "Term"). In the event Optionee does not timely and properly exercise the Option prior to the expiration of the Term, or if Optionee fails to tender timely the Additional Payments referenced in Section 2 below or any other required Option Fee (time being declared of the essence), this Agreement shall automatically terminate without notice to Optionee and thereafter shall be of no force or effect. In addition, if Optionee exercises the Option timely and properly but fails to timely consummate the purchase of the Property in accordance with the terms of this Agreement through no fault of Optionor, Optionee's rights hereunder shall be of no further force and effect and if such failure constitutes a default by Optionee hereunder, Optionor may pursue those remedies available to Optionor as are provided herein, at law or in equity. Any exercise of the Option shall be strictly in accordance with the terms hereof.

2. **Price of Option.**

- (a) Initial Payment. The Optionee hereby pays the Optionor \$5,000.00 (the "Initial Payment"), receipt of which is hereby acknowledged, as consideration for the granting of this Option. This Initial Payment shall apply to the Purchase Price (as hereinafter defined) if this Option to purchase is timely and properly exercised. If the Option is not timely and properly exercised by the Optionee, the Optionor

shall retain the Initial Payment and have no further obligations under the Option Agreement.

- (b) Additional Payments. Optionee shall make additional non-refundable, but applicable Option payments (the "Additional Payments", together with the Initial Payment, the "Option Fees") as follows:
- (i) \$5,000 – MSHDA & CHN approval of required Market Study and Environmental Phase 1 report (estimate February 15, 2017 but no later than March 31, 2017)
  - (ii) \$5,000 – Final approval of City of Ferndale Site Plan, PILOT, and Zoning requirements (estimate March 15, 2017 but no later than March 31, 2017)
  - (iii) \$10,000 – CHN review list of MSHDA applications received for the April 1, 2017 funding round (estimate May 15, 2017 but no later than May 31, 2017)
  - (iv) \$10,000 – Receipt of a Reservation of Low Income Housing Tax Credits from MSHDA (estimate July 15, 2017 but not later than September 1, 2017)

All Additional Payments shall apply to the Purchase Price if the Option to purchase the Property is exercised. If the Option is not timely exercised by the Optionee, or if Optionee fails to timely make any required Additional Payments, the Optionee's option rights herein shall terminate automatically without notice, the Optionor shall retain all Option Fees and have no further obligations under the Option Agreement, but Optionee shall remain obligated to satisfy its indemnity and/or restoration obligations imposed by Section 7 below.

3. **Option Extension.** The Optionee shall have the right to extend the Term of this Option upon written notification to the Optionor for one (1) additional period of six (6) months. The fee for the extension of the Option for this additional period shall be \$10,000.00 (and shall be deemed an Option Fee), which shall also be applied to the Purchase Price if the Option is exercised or retained by Optionor in all other cases. To extend, the Optionee shall notify the Optionor of this election in writing at least 10 days prior to the expiration of this Option, which notice shall include the stated extension fee payable to the Optionor.

4. **Method of Exercising Option.** To exercise this Option, the Optionee shall notify the Optionor in writing that is it exercising the Option and such notice shall be received by the Optionor on or before the expiration of the Term of this Option.

5. **Purchase Price.** The total purchase price ("Purchase Price") of the real property upon exercise of this Option Agreement shall be an amount equal to the Five Hundred Thousand Dollars and Zero Cents (\$500,000.00).

6. **Title.** Within 30 days of the Legal Description Date (as defined below), Optionor shall order a title commitment for an Owner's Policy of title insurance naming the Optionee as the proposed insured with coverage in the amount of the Option Purchase Price of \$500,000.00.



Within 30 days of Optionee's receipt of such Commitment, Optionee shall advise Optionor of any objections to the state and quality of title. Optionee acknowledges that Optionor has provided to Optionee a survey of the Property which is provided solely as a convenience to Optionee. Optionee shall have 30 days from the date of its receipt of the Commitment to inform Optionor in writing (the "Title Objection Letter") of any objections Optionee has to the condition of title, each a "Title Objection." Optionee shall specify any Title Objections not later than 30 days following Optionee's receipt of the Commitment, failing which Optionee shall be deemed to have accepted the state and quality of title as evidence thereby (the "Permitted Exceptions"). Optionor may, but shall not be obligated to, undertake to cure the items referenced in the Title Objection Letter or eliminate any such title objection to the reasonable satisfaction of Optionee and/or to the extent possible cause the title company to insure over any of such items or title defects to the satisfaction of Optionee and accordingly modify the Title Commitment. In the event Optionor elects not to effect such cures or is either unable to do so, or have the title company so insure over Optionee's Title Objections within 30 days after receipt by Optionor of the Title Objection Letter, Optionee may either (i) waive any of its title objections set forth in the Title Objection Letter without any adjustment to the Purchase Price or (ii) terminate this Agreement in either event by giving prompt written notice thereof to Optionor. In the event Optionee elects to terminate this Agreement, the Option Fees shall be returned to Optionee and neither Optionor nor Optionee shall have any further obligations under this Agreement except for Optionee's indemnity and restoration obligations which shall continue. Upon the exercise of this Option by the Optionee, Optionee shall obtain an update to the Commitment for an owner's Title Policy at its own cost. If the update reflects any encumbrances which were not reflected in the original Commitment which were not caused by Optionee and which materially interfere with Optionee's proposed development, the Optionee shall be entitled to object to same as provided above. In the event Optionor fails to correct same, Optionee may terminate this Option and be entitled to the return of all Option Fees and all provisions of this Option Agreement shall be null and void.

7. **Right to Enter Property.** Following the Legal Description Date, Optionee shall have the right to enter the Property for the purpose of conducting inspections and for any other site evaluations deemed necessary by the Optionee. From and after the Effective Date, Optionor agrees that Optionee and its agents and representatives shall, subject to arranging all onsite visits with Optionor, be entitled to enter upon the Property for inspection, soil tests, examination, land-use planning and for any due diligence investigation relating to Optionee's proposed ownership of the Property. As to any such investigation, Optionee shall restore the Property to the same condition as existed prior to any such investigation (which obligation shall survive the termination hereof) , and shall not: (i) perform any invasive tests without Optionor's prior consent or (ii) interfere with the possessory rights of Optionor. Optionee shall indemnify and hold harmless Optionor from and against, and to reimburse Optionor with respect to any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) asserted against or incurred by Optionor by reason of or arising out of any such on-site investigation, it being acknowledged that all such obligations shall survive Closing or the termination of this Agreement. Upon request, Optionee shall provide evidence of liability insurance which shall supplement Optionee's indemnity obligation.

8. **Due Diligence Period.** The Optionee shall use the Term of Option to conduct such investigations as the Optionee deems necessary in order to determine whether the Property is

suitable for the Optionee's intended use. Such due diligence may include, but shall not be limited to:

- (a) Investigating the availability of utility services, including but not limited to, gas, water, electricity, sanitary sewer, storm sewer and telephone service, with sufficient capacity to meet the Optionee's requirements for such utility services;
- (b) Investigating all applicable zoning ordinances, regulations, building codes and restrictions to determine whether such will permit use of the Property for the Optionee's intended use;
- (c) Making soil tests, borings and other environmental, engineering and architectural tests to ascertain that the Property is suitable for construction of the improvements contemplated by the Optionee;
- (d) Determining whether the City of Ferndale will approve a site plan and issue a building permit for the facility or project the Optionee desires to construct on the Property; and
- (e) Determining whether the City of Ferndale will approve a Payment In Lieu of Taxes Ordinance for the project the Optionee desires to construct on the Property.
- (f) Receipt of a Commitment and/or Reservation of Low Income Housing Tax Credits from Michigan State Housing Development Agency in an amount satisfactory to Optionee;
- (g) Receipt of a Commitment for a mortgage loan in an amount satisfactory to Optionee;
- (h) A current appraisal supporting the Purchase Price;
- (i) That the Optionee has obtained the approval of all parties for the transaction contemplated by this Agreement;

Upon the exercise of the Option, Optionee shall be deemed to have satisfied and waived the contingencies set forth in this Section 8.

9. **Conditions to the Optionee's Obligation to Close.** In addition to all other conditions set forth in this Agreement, the obligation of the Optionee to consummate the transactions contemplated hereunder shall be contingent upon the following:

- (a) Optionor's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date;
- (b) As of the Closing Date, Optionor shall have performed its obligations hereunder in all material respects and all deliveries to be made at Closing by Optionor shall have been tendered;

- (c) As of the Closing Date, there shall exist no pending action, suit or proceeding with respect to Optionor before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transaction contemplated hereby.

10. **Assignment.** Optionee shall have the right to assign this Option Agreement to a controlled entity to be formed.

11. **Reserved.**

12. **Closing.** Prior to the Closing of the sale, it shall be the responsibility of the Optionee to (i) meet the applicable deadlines (ii) procure the necessary approvals and (iii) cause the appropriate closing documents to be prepared. The Closing of the sale shall occur by the payment of the Purchase Price by the Optionee, and by the execution and delivery of a Covenant Deed by the Optionor in the form attached hereto as Exhibit C. This sale shall be closed within one hundred eight (180) days of the exercise of this Option. Possession shall be delivered at the time of Closing, unless delivered prior to Closing by the mutual consent of both parties.

13. **Notices.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when physically delivered or three (3) days after having been deposited in the United States Mail, addressed to the recipient as follows:

If to Optionor:

Blake Prewitt, Superintendent  
Ferndale Public Schools  
871 Pinecrest Street  
Ferndale, MI 48220

If to Optionee:

Kirstin Elliott, Vice President  
Community Housing Network, Inc.  
570 Kirts Blvd., Suite 231  
Troy, MI 48084

14. **Successors and Assigns.** This Option agreement shall inure to the benefit of the parties successors and assigns.

15. **Due Diligence Items.** As soon as reasonably possible following the Effective Date, the following items (collectively, the "Due Diligence Items") shall be obtained by and/or delivered to the Optionee:

- (a) Optionor shall deliver to Optionee a copy of any existing survey of the Parent Parcel, if any, in Optionor's possession (the "Survey"); and
- (b) Optionor shall deliver to Optionee a copy of any existing environmental reports of the Parent Parcel, if any, in Optionor's possession.

Optionee acknowledges and agrees that except for such items which are in the public records, the Due Diligence Items are proprietary and confidential in nature and have been or will be made available to Optionee solely to assist Optionee in determining the feasibility of purchasing the Property. Optionee agrees not to disclose the Due Diligence Items or any of the provisions, terms or conditions thereof to any party outside of Optionee's organization except:

(i) as to Optionee's accountants, attorneys, lenders, prospective lenders, investors and/or prospective investors (collectively, the "Permitted Outside Parties"), (ii) contractors obtained to provide new or updated reports regarding the Property, and (iii) as may be required by law. In permitting Optionee and the Permitted Outside Parties to review the Due Diligence Items to assist Optionee, Optionor has not waived any privilege or claim of confidentiality with respect thereto and no third party benefits of any kind, either expressed or implied, have been offered, intended or created by Optionor and any such claims are expressly rejected by Optionor and waived by Optionee.

Optionee shall return to Optionor all of the Due Diligence Items and any and all copies Optionee has made of the Due Diligence Items at such time as this Agreement is terminated for any reason other than Optionor's default. In the event this Agreement is terminated as a result of Optionor's default, Optionee shall return all the Due Diligence Items and any and all copies Optionee has made of the Due Diligence Items to Optionor. Optionee's obligations under this Section 4 shall survive the termination of this Agreement.

Optionee acknowledges that the Due Diligence Items were prepared by third parties other than Optionor. Optionee further acknowledges and agrees that except as specifically set forth herein: (i) neither Optionor nor any of its officers, agents, employees or contractors have made any warranty or representation regarding the truth, accuracy or completeness of the Due Diligence Items or the sources thereof and Optionee has not relied on the truth or completeness of the Due Diligence Items and (ii) Optionor has not undertaken any independent investigation as to the truth, accuracy and completeness of the Due Diligence Items and is providing the Due Diligence Items or making the Due Diligence Items available to Optionee solely as an accommodation to Optionee.

16. **Permitted Exceptions.** Optionor shall convey the Property to Optionee subject to (i) easements and rights of public utilities as evidenced by the Title Commitment and matters which would be disclosed by an accurate survey of the Property, (ii) covenants, conditions, private easements and restrictions, (iii) real estate taxes and assessments for the then current year as are not due and payable as of the date of Closing, (iv) encumbrances or exceptions to title shown on the Title Commitment and/or Survey to which Optionee does not object or which with Optionee's consent are waived and accepted or insured over and (v) the development and use restrictions set forth in Paragraph 18 hereof.

17. **Optionor's Obligations at the Closing.** At the Closing, Optionor shall:

- (a) execute and deliver to Optionee the Deed conveying the Property in the form attached hereto as **Exhibit C**;
- (b) execute and deliver to Optionee a closing statement itemizing the Purchase Price which is not subject to adjustments thereto as provided herein;
- (c) execute and deliver to Optionee a Non-Foreign Persons Affidavit in the form attached hereto as **Exhibit D**;

- (d) execute and deliver to Optionee such other documents or instruments as may be required under this Agreement, or as otherwise required in Optionee's reasonable opinion to effectuate the Closing.

18. **Closing Costs.** At the Closing, Optionee shall pay to Optionor the net Purchase Price. Optionee shall be responsible for all costs to close, including but not limited to, (a) all premiums and fees related to the Title Policy, including endorsement premiums or any charges for extended coverage endorsements, (b) the real estate brokerage commissions payable by reason of the transactions contemplated by this Agreement, and (c) pay all transfer taxes due upon recording of the Deed, if any. Optionee shall pay any escrow charges and each party shall pay their own attorneys' fees. Any and all other costs and expenses of the Closing shall be paid by Optionee.

19. **Prorations.** Real estate taxes, water and sewer rents and charges on the Property, including special assessments which have been levied upon or become a lien against the property as of the Closing and which are otherwise due and payable, shall be paid by Optionor. Real estate taxes and current installments of special assessments for the current period shall be prorated and adjusted as of the Closing on a due date basis with the summer taxes being deemed to be paid in advance and the winter taxes being deemed to be paid in advance. Optionee shall be responsible to pay any installments of special assessments which are due after Closing.

20. **Possession.** Optionor shall deliver exclusive possession of the Property to Optionee at Closing.

21. **ACKNOWLEDGEMENT.** OPTIONEE UNDERSTANDS AND ACKNOWLEDGES THAT OPTIONOR HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTIES WHATSOEVER, ORAL OR WRITTEN, EXPRESS OR IMPLIED, TO OPTIONEE WITH RESPECT TO THE CONDITION, STATE OF REPAIR OR OPERABILITY OF THE PROPERTY (INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, OR UNDER THE PROPERTY OF ANY HAZARDOUS MATERIALS OR SUBSTANCES, SOIL OR SUB-SOIL CONDITIONS, ALL IMPROVEMENTS THEREON, THE STRUCTURAL PORTIONS THEREOF, AND THE PERSONAL PROPERTY, MECHANICAL, PLUMBING, ELECTRICAL, SEWER, SANITARY DISPOSAL, HEATING, VENTILATING AND AIR CONDITIONING SYSTEMS AND OTHER BUILDING SERVICE EQUIPMENT THEREIN), WITH RESPECT TO THE SUITABILITY OR FITNESS FOR THE OPTIONEE'S INTENDED USE OR PURPOSE OR WITH RESPECT TO THE APPRECIATION OR INCOME POTENTIAL OF THE PROPERTY, THE ZONING OF THE PROPERTY, THE PLATTING OF THE PROPERTY, THE AVAILABILITY OR ADEQUACY OF UTILITIES TO THE PROPERTY, ACCESS TO THE PROPERTY, REQUIREMENTS IN CONNECTION WITH ANY DEVELOPMENT OF THE PROPERTY OR ANY OTHER MATTER WHATSOEVER. OPTIONEE FURTHER HEREBY ACKNOWLEDGES AND AGREES THAT OPTIONEE HAS INVESTIGATED OR WILL INVESTIGATE ALL MATTERS OF CONCERN TO OPTIONEE WITH RESPECT TO THE PROPERTY AND THAT OPTIONEE IS NOT RELYING AND HEREBY EXPRESSLY WAIVES ANY RELIANCE ON ANY REPRESENTATION OR

WARRANTY, ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF OPTIONOR WITH RESPECT TO SUCH MATTERS. OPTIONEE AGREES TO PURCHASE THE PROPERTY AND ALL IMPROVEMENTS THEREON AND MECHANICAL SYSTEMS THEREIN DELIVERED TO OPTIONEE, AS IS, WHERE IS, WITH ALL FAULTS. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, OPTIONEE HEREBY RELEASES OPTIONOR FROM ANY LIABILITY, CLAIMS, DAMAGES, EXPENSES OF ANY KIND OR NATURE, OR ANY OTHER CLAIM RESULTING FROM THE PRESENCE, REMOVAL OR OTHER REMEDIATION OF HAZARDOUS MATERIALS OR SUBSTANCES IN, ON, UNDER OR ABOUT THE PROPERTY OR WHICH HAS MIGRATED FROM ADJACENT LANDS ONTO THE PROPERTY OR FROM THE PROPERTY TO ADJACENT LAND. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE CLOSING.

22. **Default by Optionor.** In the event that Optionor should fail to consummate the transactions contemplated by this Agreement for any reason following the exercise of the Option, excepting Optionee's default or the failure of any of the conditions to Optionor's obligations hereunder to be satisfied or waived and such default continues for five (5) business days following written notice from Buyer of such default, Optionee may terminate this Agreement by giving prompt written notice thereof to Optionor, or specifically enforce this Agreement; provided, however, that in the event that such failure of Optionor was beyond Optionor's reasonable control, Optionee's sole remedy shall be to so terminate this Agreement; provided, further, in the event Optionee elects to specifically enforce this Agreement it must institute such action within thirty (30) days following Optionor's default, failing which Optionee shall be deemed to have waived the right to pursue specific performance.

23. **Default by Optionee.** In the event Optionee should fail to consummate the transaction contemplated herein for any reason, except default by Optionor or the failure of any of the conditions to Optionee's obligations hereunder to be satisfied or waived, Optionor may retain the Deposit and terminate this Agreement by giving prompt written notice thereof to Optionee, or specifically enforce this Agreement.

24. **Attorney's Fees.** Should either Optionor or Optionee employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any matter arising under this Agreement or to recover damages for the breach of this Agreement, the losing party in any final judgment agrees to pay the prevailing party all reasonable costs, charges, and expenses, including reasonable attorney's fees, expended or incurred by it in connection therewith.

25. **Brokerage Commissions.** Each party represents to the other that no brokers have been involved in this transaction, and that Broker has represented Optionee. In the event that this transaction is consummated and Closing occurs, Optionee shall pay Broker a real estate commission as set forth in a separate written agreement. Optionor and Optionee agree that if any other claims for brokerage commissions are ever made against Optionor or Optionee in connection with this transaction, all claims shall be handled and paid by the party whose actions or alleged commitments form the basis of such claim. Optionor agrees to indemnify and hold Optionee harmless from any loss, liability, damage, cost, or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Optionee by reason of any claim to any broker's, finder's, or other fee in connection with this transaction by any party claiming by,

through, or under Optionor. Optionee agrees to indemnify and hold Optionor harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Optionor by reason of any claim to any broker's, finder's, or other fee in connection with this transaction by any party claiming by, through, or under Optionee, which obligation of each party shall survive the Closing.

26. **Risk of Loss.** All risk of loss or damage to the Property prior to Closing, including, without limitation, loss by fire, windstorm, or other casualty, shall rest with Optionor. If, prior to the Closing, the Property is damaged as a result of fire or other casualty, Optionor shall give Optionee written notice thereof and either party shall have the option, exercisable by written notice to the other party within thirty (30) days after the occurrence of such damage or casualty, to terminate this Agreement, in which event neither Optionor nor Optionee shall have any further obligations under this Agreement and the Optionee shall receive the prompt return of the Initial Deposit and Option Fees. If neither party terminates this agreement within such period, the transaction will proceed as contemplated herein, without an adjustment to the Purchase Price, and, at Closing, the Optionor shall assign to the Optionee all of Optionor's right, title and interest in any insurance claims relative to the casualty.

27. **Notices.** Any notice to be given or to be served upon either party hereto in connection with this Agreement must be in writing and shall be given by certified or registered mail (return receipt requested), by overnight express delivery or facsimile (followed by hard copy by either of the two preceding methods of delivery). Such notice shall be given the parties hereto at the addresses set forth on the signature page of this Agreement and be deemed delivered upon delivery or on the date when the receiving party first refuses to accept such delivery. Either party may at any time, by giving five (5) days written notice to the other, designate any other address in substitution of any of the foregoing addresses to which such notice shall be given and other parties to whom copies of all notices hereunder shall be sent.

28. **Use Restriction; Obligation to Build.**

- (a) Optionee acknowledges and agrees that the Deed shall contain the restrictive covenants identified in the form of Deed attached hereto as **Exhibit C.**
- (b) Optionee shall construct all improvements to and within the Property in accordance with the plans that have been approved by the Optionor. Purchaser's obligation under this Section shall be reaffirmed at Closing by the execution of a supplemental agreement in form and content acceptable to Optionor. Optionee shall commence construction of such improvements within six (6) months from the Closing date and shall complete such improvements within eighteen (18) months from the Closing date. For purposes of the foregoing, commencement of construction shall mean that Optionee has obtained all permits and approvals necessary for the construction of such improvements and that all necessary utility improvements and building footings have been installed.
- (c) In the event that Optionee does not construct its improvements within the Property as provided in Section 28(b), the Optionee shall have the option to re-purchase the Property from Optionee for a purchase price equal to the Purchase

Price. At the closing for any such re-purchase of the Property by Optionor, Optionee shall be responsible for the payment of all transfer taxes payable in connection with such transaction and the title insurance premium for a title insurance policy issued by the Title Company, subject only to the Permitted Exceptions and any other matters that have been approved by Optionor prior to such closing.

29. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, without giving effect to principals of conflicts of law.

30. **Modification.** This Agreement may only be modified or otherwise amended by a written instrument executed by duly authorized representatives of Optionor and Optionee.

31. **Time of Essence.** Time is of the essence of this Agreement. In the event this Agreement is not accepted by Optionor on or before July 30, 2015, same being the Expiration Date of the Offer, and a copy thereof delivered to Optionee, then this Agreement shall be null and void, and all offers set forth herein shall be deemed withdrawn.

32. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

33. **Board Approval.** Prior to June 30, 2016, Optionor shall submit to Optionor's board this Agreement and request the approval thereof and such other authorizations as Optionor deems necessary to proceed with the transaction contemplated by this Agreement. If the Optionor is unable to obtain such approvals prior to the Expiration Date of this Offer, Optionor shall have the right to terminate this Agreement and the Initial Payment shall be returned to Optionee.

Agreed and accepted as of the date first set forth above.

OPTIONOR:  
FERNDALÉ PUBLIC SCHOOLS

By: \_\_\_\_\_  
Blake Prewitt  
Its: Superintendent

OPTIONEE:  
COMMUNITY HOUSING NETWORK, INC.

By: \_\_\_\_\_  
Kirsten Elliott  
Its: Vice President



**EXHIBIT A**  
**PARENT PARCEL**  
**LEGAL DESCRIPTION**

Tax Id Number: 25-34-276-001

**EXHIBIT B**

**RESERVED**

## EXHIBIT C

### FORM OF DEED

To be modified to conform to recording and other requirements of the Subject State.

### COVENANT DEED

For the consideration of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation, whose address is \_\_\_\_\_, the Grantor, does hereby convey to \_\_\_\_\_, whose address is \_\_\_\_\_, the Grantee, the following described property in the \_\_\_\_\_ of \_\_\_\_\_, County of Oakland, State of Michigan:

See Exhibit A attached hereto and made a part hereof.

Commonly known as \_\_\_\_\_

Tax Parcel ID # [ \_\_\_\_\_ ]

Subject to: Current taxes and other assessments, and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities, if any, and the matters described on Exhibit B attached hereto and made part hereof.

If the land being conveyed is unplatted, the following is deemed to be included: This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

The Grantor grants to Grantee the right to make all divisions under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967, as amended. The forgoing transfer of rights to make divisions is not intended to constitute a guarantee by Grantor that such number of divisions or any number of divisions are available.

And the GRANTOR hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Exempt from state and county transfer taxes claimed under MCL 207.526(h)(i) and MCL 207.505(5)(h)(i).

DATED: \_\_\_\_\_, 201\_\_

**FERNDALÉ PUBLIC SCHOOLS, a Michigan public  
school corporation**

By: \_\_\_\_\_  
*Print name:*

Its: \_\_\_\_\_

STATE OF )  
 )ss.  
COUNTY OF )

This instrument was acknowledged and executed before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of FERNDALE PUBLIC SCHOOLS, a Michigan public school corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
County, \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
[Notary's Seal]

PREPARED BY AND RECORDED  
AT THE REQUEST OF:  
Joseph M. Fazio, Esq.  
Miller, Canfield, Paddock and Stone, P.L.C.  
101 North Main, Seventh Floor  
Ann Arbor, Michigan 48104  
(734) 663-2445

WHEN RECORDED RETURN TO:

Grantee

SEND SUBSEQUENT TAX BILLS TO:

Grantee

Exhibit A  
to Covenant Deed  
(Legal Description)

Exhibit B  
to Covenant Deed

Development Agreement and Use Restrictions

I. Development Agreement and Use Restrictions

- a. Covenant. In addition to the Purchase Price paid by Grantee to Grantor, Grantee agrees, as part of the consideration for Grantor agreeing to sell the property described in Exhibit A (the "Property") to Grantee, to develop and use the Property for the following purposes and no other without Grantor's prior written consent:

Multi-family Residential Housing

b. Defaults and Remedies.

- i. The foregoing covenant shall attach to and run with the land and it shall be lawful for the Grantor, or its successors or assigns, to institute and prosecute any proceedings at law or in equity against any person or persons violating or threatening to violate the same.
- ii. It is further agreed by Grantee that the foregoing covenant shall, as between Grantor and Grantee, and its successors and assigns, be deemed to be and construed as express conditions subsequent on which the conveyance of the Property is made. If Grantee, its successors or assigns, or any of them, shall neglect or fail to perform or strictly comply with the foregoing covenant, Grantor, or its successors or assigns, may at any time thereafter, serve on Grantee, or its successor or assigns, a notice in writing specifying the default or breach thereof and directing Grantee, or its successors or assigns, to remedy such default or breach.
- iii. If Grantee, or its successor, for a period of thirty (30) days thereafter fails to remedy such default or breach, Grantor, or its successors or assigns, shall be entitled to pursue applicable remedies at law or in equity. The parties agree that any violation by Grantee of the foregoing covenant may cause irreparable injury or damage to Grantor, the amount of which will be extremely difficult, if not impossible to determine, and which cannot be adequately compensated by monetary damages alone. Therefore, if Grantee breaches or threatens to breach the foregoing covenant, in addition to any other remedies which may be available to Grantor under this Agreement, at law or in equity, Grantor may obtain an injunction, restraining order or other equitable relief against Grantee and such other persons and entitled as are appropriate.

## EXHIBIT D

### NON-FOREIGN PERSONS AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee (purchaser) of a United States real property interest must withhold tax if the transferor (seller) is a foreign person. This affidavit is to inform interested parties that withholding of tax is not required upon the disposition of a United States real property interest by FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation ("Transferor"), the undersigned certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's United States employer identification number is \_\_\_\_\_;
3. Transferor's office address is \_\_\_\_\_.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

FERNDALÉ PUBLIC SCHOOLS, a Michigan public school corporation

By: \_\_\_\_\_  
*Print Name:*

Its: \_\_\_\_\_

Dated as of \_\_\_\_\_, 201 \_\_\_\_

**EXHIBIT D**

**PURCHASER'S CONCEPT PLAN**



Appendix F

Iran Linked Business Affidavit

Attached

**AFFIDAVIT OF COMPLIANCE – IRAN ECONOMIC SANCTIONS ACT**

**Michigan Public Act No. 517 of 2012**

The undersigned, the owner or authorized officer of the below-named contractor (the "Contractor"), pursuant to the compliance certification requirement provided in the Ferndale Public Schools' (the "School District") Request For Proposals For Pupil Transportation Services (the "RFP"), hereby certifies, represents and warrants that the Contractor (including its officers, directors and employees) is not an "Iran linked business" within the meaning of the Iran Economic Sanctions Act, Michigan Public Act No. 517 of 2012 (the "Act"), and that in the event Contractor is awarded a contract as a result of the aforementioned RFP, the Contractor will not become an "Iran linked business" at any time during the course of performing any services under the contract.

The Contractor further acknowledges that any person who is found to have submitted a false certification is responsible for a civil penalty of not more than \$250,000.00 or 2 times the amount of the contract or proposed contract for which the false certification was made, whichever is greater, the cost of the School District's investigation, and reasonable attorney fees, in addition to the fine. Moreover, any person who submitted a false certification shall be ineligible to bid on a request for proposal for three (3) years from the date the it is determined that the person has submitted the false certification.

**CONTRACTOR:**

Community Housing Network, Inc.

Name of Contractor

By:

Kirsten Elliott, VP of Development

Date: February 25, 2016

STATE OF Michigan )  
 )ss.  
COUNTY OF Oakland )

This instrument was acknowledged before me on the 25 day of February, 2016, by  
Kirsten Elliott

Margaret E. Perry  
Notary Public

MARGARET E. PERRY  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES May 2, 2021  
ACTING IN COUNTY OF

Oakland County, MI  
My Commission Expires 5/2/2021

Acting in the County of Oakland