Agenda
Special Business Meeting

City of Kalamazoo

Monday, March 31, 2025 5:00 PM

City Commission Chambers – 241 West South Street

A. CALL TO ORDER/ROLL CALL

B. COMMUNICATIONS

C. PUBLIC COMMENTS

D. DISCUSSION TOPICS/ACTION ITEMS

1. Re-approval of a Treasury SLFRF/ARPA loan to Zion Place 4 Limited Dividend Housing Association Limited Partnership in the amount of $1,000,000 to support construction of the Legacy Senior Housing Development at 730 North Burdick Street. **(Action: Motion to approve the loan agreements and authorize the City Manager to sign all related documents and approve administrative changes that do not alter the terms of the loan or unit production.)**

E. COMMISSIONER COMMENTS

F. ADJOURNMENT

	Date: **3/31/2025**
	Item: **D.1.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Antonio Mitchell, Director
Prepared by: Sharilyn Parsons, Community Development Manager

DATE: March 31, 2025

SUBJECT: Treasury SLFRF/ARPA loan agreement for $1,000,000 to construct senior housing at 730 N. Burdick (The Legacy Project)

RECOMMENDATION:

It is recommended that the City Commission re-approve a Treasury SLFRF/ARPA loan in the amount of $1,000,000 for affordable housing units within the Legacy Senior Housing Project at 730 North Burdick Street. Approval of this agenda item authorizes the City Manager to sign all documentation and authorize and approve administrative changes that do not alter the terms of the loan or unit production.

BACKGROUND:

This loan was originally approved by the City Commission at a regularly scheduled meeting on August 21, 2023. Immediately following the approval, the agreement and loan documents were executed by the developer and City Manager. Unfortunately, securing primary financing and Low-Income Housing Tax Credits for the project took longer than anticipated. Therefore, many of the dates and development schedules outlined in the agreement, mortgage, and promissory note are no longer valid. The attached documents have been updated to reflect an expected closing date on all financing for this development and the start of the project in April 2025.

STRATEGIC VISION ALIGNMENT:

Complete Neighborhoods - residential areas that support the full range of people's daily needs

Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion:

All potential projects funded through SLFRF dollars were evaluated against the five main City Commission and Community Priorities. To create these priorities, the following public outreach resources were utilized:

- Community Survey (statistically significant) conducted every two years, with the last completed in 2021
- ARPA/Stimulus Survey which was issued in June of 2021 and received 1,500 responses
- 30-day public comment period on the ARPA funding
- Feedback from City Commission during their annual retreats as to priorities
- Imagine Kalamazoo 2025 and the engagement received in its creation

These sources were reviewed and common themes discovered, which were brought back to City Commission for approval prior to allocation of SLFRF funds. The creation and maintenance of quality affordable housing as a priority was a result of this public outreach.

FISCAL IMPACT:

There is no new fiscal impact with the re-approval of this loan agreement. There are no changes to the terms of the mortgage and promissory note.

THE CITY OF Kalamazoo

AMENDED AND RESTATED DEVELOPER LOAN AGREEMENT
BETWEEN THE CITY OF KALAMAZOO AND
ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
FOR THE
THE LEGACY SENIOR HOUSING DEVELOPMENT PROJECT

THIS AGREEMENT ("Agreement") is entered into by and between the City of Kalamazoo a Michigan municipal corporation, 241 West South Street, Kalamazoo, Michigan (herein called the "City") and Zion Place 4 Limited Dividend Housing Association Limited Partnership, 1105 Portage Street, Kalamazoo, Michigan (herein called the "Developer").

WHEREAS the City of Kalamazoo is the recipient of a U.S. Department of the Treasury (herein called "USDT") Coronavirus State and Local Fiscal Recovery Funds (herein called "SLFRF") under the American Rescue Plan Act of 2021, and will administer said funds; and

WHEREAS the City is undertaking certain activities to respond to and recover from the COVID-19 public health emergency, including providing loans for the development of rental housing for vulnerable populations.

NOW THEREFORE, in consideration of the mutual covenants and obligations herein, including any Attachments or Exhibits, and subject to the terms and conditions hereinafter stated, the parties (City and Developer) understand and agree that;

I. SCOPE OF SERVICE

A. Principal Tasks

The Developer will be responsible for the construction of The Legacy Senior Housing Development (herein called the "Project"), which will be developed on the following parcels described as:

> Unit 1 of The Legacy, according to the Master Deed as recorded in Kalamazoo County Records number ________________ and any amendments thereto and designated as County Subdivision Plan No. ____________, together with the rights in general common elements and limited common elements as set forth in the above Master Deed, and as described in Act 59 of the Public Acts of 1978, as amended.

The Developer will provide and/or oversee the following tasks to ensure the required outcomes of the Project:

1. Completion of a site plan that is approved by the City.
2. Combination of the parcels noted above into a single developable parcel.
3. Construction of 70 new rental units for persons or households age 55+.

4. Compliance with the Mortgage (Attachment B) and Promissory Note (Exhibit B) for the $1,000,000 SLFRF loan.

5. Compliance with a 20-year affordability period for 34 of the units to be rented to low-income persons or households as described in the Affordable Housing Deed Restriction (Exhibit C).

6. Initial lease-up of the 34 assisted units within 90 days of Certificate of Occupancy.

7. Compliance with the City's Rental Registration and Certification Program.

8. Obtaining all permits required by the City of Kalamazoo Code of Ordinances, and compliance with all City Ordinances and all applicable City Building, Plumbing, Electrical, Mechanical and Zoning Codes.

The Project will be administered by the Developer from its Kalamazoo location at 1105 Portage Street, Kalamazoo, MI 49001 in compliance with all applicable SLFRF and other federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

B. Schedule of Tasks and Goals/Term

The scope of services of the Project will be substantially completed based on the following general schedule:

Completed By:	Activity:
August 2024	Project design/engineering and receive site plan approval
April 2025	Close on all real estate transactions
April 2025	Begin Project construction
December 2026	Complete construction
March 2027	Complete initial lease-up and occupy all 34 units

Total Project outcomes by March 31, 2027: 34 newly constructed affordable rental units occupied by low-income persons or households age 55+.

This schedule may be accelerated without prior approval from the City. However, if goals cannot be reached within the timeframe described, the Developer may request an extension of this Agreement. Extensions are not guaranteed, and each request will be evaluated on its individual merits based on performance. Extensions shall be in writing as an amendment to this Agreement consistent with paragraph VII(H).

C. Staffing

The Developer shall provide its own property, staff, and office space to assure delivery of the services described herein. The Developer shall assign a Project Manager to this Agreement as a primary point of contact for the City. The Developer shall notify the City in writing prior to the designation of a new Project Manager.

II. BUDGET

A. Project Budget

It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed **$1,000,000 in SLFRF**, which shall be utilized for direct development costs of the Project.

Funding is contingent upon the City's receipt of SLFRF funding and authorization from USDT to utilize the funds. Any reduction in USDT funding may result in reduction or elimination of funding for this Agreement. Any requested changes to the budget must be submitted for review and approval by the City before being implemented.

B. Unexpended Funds

Upon expiration or termination of the Agreement for any reason, the City shall reprogram any unexpended funds returned to or recovered by the City to another activity unless an extension to this Agreement is approved.

III. PROJECT REQUIREMENTS

A. Income Limits

Occupants of the 34 affordable units will be restricted to households that make 80 percent or less of the area median income established by the U.S. Department of Housing and Urban Development (HUD) for the Kalamazoo/Portage metropolitan statistical area.

B. Rental Limits

Rents will be limited to 30 percent of the adjusted gross income of the household. Adjusted gross income is annual income (gross income minus income exclusions) minus allowable deductions.

C. Initial Occupancy

Rental units are to be occupied within 90 days of receiving an occupancy permit from the City.

D. Affordability Period

A 20-year affordability period is required for the 34 rental units supported by this Agreement. Compliance with the affordability period shall be ensured through the recording of an

Affordable Housing Deed Restriction on the property with the Kalamazoo County Register of Deeds. The deed restriction will be recorded by the City prior to initial rent-up and a copy provided to the Developer. The recording date of the deed restriction is the start date of the affordability period.

E. Affordability Period Repayment

1. Sale of Property

   If the Developer decides to sell the property within the affordability period, they must either:

   a. Ensure the future owner continues with the required years of affordability by entering into an agreement with the City and recording a new Affordable Housing Deed Restriction, or

   b. At the time of sale, the balance remaining on the 20-year loan provided by the City will become immediately due.

2. Affordability Period Noncompliance

   If the Developer fails to comply with the years of affordability required by this Agreement, they may either:

   a. Execute a new Affordable Housing Deed Restriction to be recorded with the Kalamazoo County Register of Deeds extending the affordability time period to compensate for the years of noncompliance, or

   b. The balance remaining on the 20-year loan provided by the City will be determined from the data of noncompliance and will become immediately due.

3. Repayment

   Any potential repayment will be based on the amount of time the Project met the obligations of the Affordable Housing Deed Restriction. The SLFRF investment will be divided by the 240 months of the affordability period to determine how much should be repaid.

F. Rental Registration

The Developer will comply with the City's Rental Registration and Certification Program and agrees to cooperate with the City to maintain compliance in the event of unit damage.

G. Project Records

The Developer shall retain records reasonably necessary to substantiate continued compliance with this Agreement and the provisions of all applicable SLFRF program rules, guidelines, criteria, and regulations. Reports shall be submitted in such format as prescribed by the City, and the City shall retain the right to change reporting requirements from time to time as it deems necessary. Reports shall be submitted to the City annually consistent with paragraph IV(C) of this Agreement.

Developer must maintain records for inspection by the City. These include, but are not limited to:

1. Records of all SLFRF program-related account transactions including deposits, disbursements, and balances.

2. Documentation of household income and rents for the 34 units supported by this Agreement.

3. Records supporting a competitive bid process of procurement.

4. Audits and resolution of audit findings.

5. Any Project fees or program income collected.

All records shall be accessible to the City for inspection and auditing at reasonable times and under reasonable conditions for the purpose of determining compliance with this Agreement. If the City desires to audit the Developer’s financial records, it may do so and may, at its discretion, retain an independent certified public accountant (CPA) to audit the financial records to determine whether there is compliance with this Agreement and with federal, state, and local laws and regulations.

IV. PAYMENT, LOAN TERMS, AND REPORTING PROCEDURES

A. Lump Sum Disbursement

The total budget will be disbursed to the Developer upon execution of the Agreement by the City, and an original signed copy of the Mortgage, Promissory Note, and Affordable Housing Deed Restriction (which will be recorded after construction).

B. Loan Terms

The loan provided by the City will be secured with a Mortgage and Promissory Note. The loan will be for 20 years at zero (0) percent interest, with an annual payment of $50,000. The first payment will be on May 31, 2027, and annually on the same date thereafter.

It shall be a default under this Agreement if the Developer fails to maintain the 20-year affordability period. Any default by the Developer of its obligations under this Agreement which is not resolved within ninety (90) days after the Developer receives written notice thereof by the City shall constitute an Event of Default. In the event of a default under this Agreement, the remedy for such default will be the City, without demand or notice, declaring the entire loan immediately due and payable, and City may institute any foreclosure proceedings as allowed by law. Additionally, City hereby agrees that any cure made or tendered by Developer's partner shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer. Notwithstanding the foregoing, the City agrees to provide written notice of any default or Event of Default under this Agreement and any of the loan documents executed in connection herewith to Cinnaire Housing Fund for Equitable Access, LP, the investor limited partner of the Developer (the “Investor”), and the Investor shall have the same opportunity (but not the obligation) as the Developer to cure the identified default or Event of Default. The City agrees to accept or reject a cure from the Investor to the same extent as the Developer. Copies of all notices sent to the Developer will simultaneously be sent to the Investor pursuant to Section VI of this Agreement.

C. Long-Term Affordability Reporting

Each year the Developer will provide supplemental information schedules from their annual audit confirming the required annual payment to the City referenced in the Mortgage and Promissory Note, and the affordability period referenced in this Agreement and the Affordable Housing Deed Restriction. This information must be provided to the City within 30 days of audit completion.

V. TIME OF PERFORMANCE

A. Notice to Proceed

The Developer shall not begin construction of the Project until the Notice to Proceed is provided by the City and the time of performance will end when all reporting requirements have been met. The terms of this Agreement and the provisions herein shall continue in force during the affordability period of this Project or if the Developer remains in control of SLFRF or other federal assets related to this Project.

The Developer shall not commence work until all required documentation has been signed and the City has issued a Notice to Proceed. Required documentation includes:

1. Executed SLFRF Agreement by both parties.
2. Executed Mortgage and Promissory Note.
3. A site plan approved by the City.
4. Insurance that is approved by the City.
5. Drug-free workplace certification.
6. Energy star certification.
7. Lobbying certification.

Any dollars spent on the Project prior to the City receiving and/or approving the above documents and providing a Notice to Proceed shall be ineligible.

B. Grant Close-Out

The Developer’s obligation to the City shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but may not be limited to, recording the Affordable Housing Deed Restriction, making final payments, disposing of project assets (including the return of all unused materials, equipment, unspent cash advances, program income balances if applicable, and accounts receivable to the City), and determining the custodianship of records. The City shall provide a Certificate of Completion to the Developer at Project close-out.

Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period of required affordability of the rental units and/or if the Developer has control over SLFRF funds, including program income, if applicable.

VI. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), email, commercial courier, or personal delivery or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following representatives:

City
Julie Johnston, AICP
Compliance Specialist II
245 North Rose Street, Suite 100
Kalamazoo, MI 49007
269-337-8210 – Phone
johnstonj@kalamazoocity.org

Developer
Zion Place 4 Limited Dividend Housing Association Limited Partnership
Hollander Development Corporation, General Partner
Jason Muniz
Vice President
1105 Portage Street
Kalamazoo, Michigan 49001
269-388-4677 – Phone
jason@hollanderdevelopment.com

With a copy to:
Cinnaire Housing Fund for Equitable Access, LP
1118 S. Washington Avenue
Lansing, Michigan 48910
Attn: Brett Oumedian

And to:
Clark Hill PLC
215 S. Washington Square, Suite 200
Lansing, Michigan 48933
Attn: Dominic Rios

VII. GENERAL REQUIREMENTS

A. General Compliance

The Developer shall conduct all work funded under this Agreement in compliance with the following:

1. SLFRF's Rules and Regulations 31 CFR Part 35, as amended from time to time, and all other federal regulations cited herein;

2. 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;

3. Any subsequent USDT policy memos, regulations, communications, and guidance.

4. All other applicable federal, state, and local laws, regulations, and policies, including required codes and permitting from the City, governing the funds provided under this Agreement and the project being funded.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating, or establishing the relationship of employer/employee between the parties. The Developer shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation Insurance, as the Developer is an independent contractor.

C. Hold Harmless

The Developer shall hold harmless, defend, and indemnify the City from claims, actions, suits, charges, and judgments that arise as a result of Developer's negligence or omission in the performance of the services called for in this Agreement.

D. Workers' Compensation

The Developer shall provide workers' compensation insurance coverage for all its employees involved in the performance of this Agreement.

E. Indemnity, Insurance and Bonding

The Developer shall comply with the City requirements governing Indemnity and Insurance (Attachment A: Certifications). Developer shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage. And, as a minimum, shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City, if applicable.

The Developer shall comply with the bonding and insurance requirements of 2 CFR 200, Bonding and Insurance.

F. City Recognition

The Developer shall acknowledge the role of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. Such acknowledgement shall apply to all public statements, whether written or verbal. Support credit will be stated as follows: "*This activity is brought to you in cooperation with the City of Kalamazoo*". When no printed material is used, verbal acknowledgement shall be given prior to each presentation. Copies of printing, photographs, advertising, and project materials prepared for this Project must be forwarded to the Department of Community Planning and Economic Development at the City.

G. Amendments

The City or Developer may amend this Agreement, including extensions to this Agreement, at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization. Such amendments shall not invalidate this Agreement, nor relieve or release the City or Developer from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both City and Developer

H. Suspension or Termination

1. Failure to Comply with Terms of Agreement

   In accordance with 2 CFR 200, the City may suspend or terminate this Agreement if the Developer materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

   a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and USTD guidelines, policies or directives as may become applicable at any time;

   b. Failure, for any reason, of the Developer to fulfill in a timely and proper manner its obligations under this Agreement;

   c. Ineffective or improper use of funds provided under this Agreement; or

   d. Submission by the Developer to the City reports that are incorrect or incomplete in any material respect.

2. Reliance Upon Information

The commitment of SLFRF under this Agreement has been made in part on the basis of certain financial and other information furnished to the City by the Developer. SLFRF may be withdrawn or recaptured and the Agreement suspended or terminated by the City if the information furnished by the Developer is determined to be untrue or incorrect in any material respect, or if the City should determine that it is inadvisable to fund the Project because of a material and adverse change in the condition of Developer and/or the Project as determined by the City in its sole discretion.

3. Termination for Convenience

In accordance with 2 CFR 200, this Agreement may also be terminated for convenience by either the City or the Developer, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

I. Agreement Resolution

When a dispute arises between the parties, and it cannot be resolved through discussion and negotiation; either party may request a dispute hearing. The parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by the City, a representative appointed by the Developer, and a third party mutually agreed upon by both parties. The team shall attempt, by majority vote, to resolve the dispute. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

J. Repayments

The City reserves the right to recover from the Developer all funds provided by the City, including program income, that were paid in error, to which the Developer was not entitled, or that the Developer expended in error based on this Agreement, the provisions of 2 CFR 200, or any other federal regulation related to the administration of the SLFRF program.

K. Religious Activities

The Developer agrees that funds provided under this Agreement will not be utilized for inherently religious activities as prohibited by the U.S. Supreme Court, such as worship, religious instruction, or proselytization.

L. License and Permits

At all times, the project director, a contractor, or the employee working directly with the housing project, shall maintain a current valid Michigan Residential Builders License. Neither the project director, the contractor, nor the employee shall have any ties to or connection with any person paid for construction services.

The Developer shall assure that all work which must be done by licensed persons is done only by such persons and shall assure that all permits required by the Kalamazoo Code of Ordinances are obtained and shall assure the completed work is approved by an authorized person. Unoccupied dwellings cannot be occupied until the City's Department of Community Planning and Economic Development, as applicable, authorizes occupancy, and an occupancy permit and rental certification have been issued.

M. <u>Flood Disaster Protection</u>

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Developer shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

N. <u>Historic Preservation</u>

The Developer agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

VIII. ADMINISTRATIVE REQUIREMENTS

A. <u>Uniform Administrative Requirements</u>

The Developer agrees to comply with all applicable federal requirements under 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

B. <u>Record Keeping</u>

1. <u>Retention</u>

The Developer shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement until (5) five years after the Agreement expiration date.

Notwithstanding the above, if there are litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

2. Client Data

The Developer shall maintain data demonstrating each household assisted met the low-income requirements established by HUD. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

3. Disclosure

Client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Developer's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

4. Personally Identifiable information

The City has specific policies and procedures for transmitting personally identifiable information that must be adhered to under this Agreement. The use of a fax machine is prohibited. When sending personally identifiable information by email or an unsecured information system, the sender is responsible to ensure the information and any attachments are transmitted in an encrypted format. The Developer is also responsible to develop policies and procedures related to personally identifiable information, which will be monitored by the City.

5. Audits and Inspections

All Developer records with respect to any matters covered by this Agreement shall be made available to the City, USTD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Developer within 30 days after receipt by the Developer. Failure of the Developer to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The Developer hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning Developer audits and 2 CFR 200, Subpart F.

C. Procurement

The Developer pledges to undertake contracts and subcontracts and manage payments using mechanisms that protect the interests of the Developer and the City, such as retaining portions of contracts until completion and requiring bonds, warranties, and insurance as appropriate.

The Developer will obtain competitive pricing quotes or bids for all services, contracts, or purchases, in compliance 2 CFR 200.317 through 326 – Federal Procurement Standards and the City purchasing policies. In addition, the Developer will ensure that all Project partners are conducting a competitive process for any subcontracts awarded for work completed.

IX. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance and Nondiscrimination

The Developer agrees to comply with Title VI of the Civil Rights Act of 1964 as amended; Title VIII of the Civil Rights Act of 1968 as amended; Section 104(b); Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Age Discrimination Act of 1975; Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086; the Michigan Handicappers Civil Rights Act, Act No. 220, Public Act of 1976 as amended; City Ordinance 1856 and all other applicable federal and state laws. The Developer agrees as follows:

a. The Developer will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation or gender identity that is unrelated to the individual's ability to perform the duties of the particular job or position. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff, or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship.

b. The Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability family status, sexual orientation or gender identity that is unrelated to the individual's ability to perform the duties of the particular job or position.

c. If requested by the City, the Developer shall furnish information regarding practices, policies and programs and employment statistics for the Developer and subcontractors. The Developer and subcontractors shall permit access to all books, records, and accounts regarding employment practices by agents and representatives of the City duly charged with investigative duties to assure compliance with this clause.

d. Breach of the covenants herein may be regarded as a material breach of the contract or purchasing agreement as provided in the Elliott-Larsen Civil Rights Act and City Ordinance 1856.

e. The Developer will include or incorporate by reference the provisions of the foregoing paragraphs a through d in every subcontract or purchase order unless exempted by the rules, regulations or orders of the Michigan Civil Rights Commission and will provide in every subcontract or purchase order that said provision will be binding upon each subcontractor or seller.

f. The Developer will not preclude a person with a criminal conviction from being considered for employment unless otherwise precluded by federal or state law (for contracts over $25,000).

2. Section 504

The Developer agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program. The City shall provide the Developer with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

3. Integrity and Performance

Developer Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

4. Age Discrimination

The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination based on age in programs or activities receiving federal financial assistance.

B. Affirmative Action

1. Approved Plan

The Developer agrees that it shall be committed to carry out an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Developer shall develop an affirmative action plan, which shall be made available to the City during monitoring visits, or when requested.

2. Women- and Minority-Owned Businesses (W/MBE)

The Developer will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Developer may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that it is an Equal Opportunity or Affirmative Action employer.

4. Subcontract Provisions

The Developer will include the provisions of Paragraphs IX.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subcontractors.

5. Access to Records

The Developer shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the City, USTD, or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the affirmative action rules, regulations, and provisions noted herein.

C. Employment Restrictions

1. Prohibited Activity

The Developer is prohibited from using funds provided herein or personnel employed in the administration of the Project for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Legal Right to Work

a. Work Performed.

i. The Developer represents and agrees to ensure that all its employees, agents, or subcontractors have the legal right to work in the United States, as defined in 8 U.S.C. 1324a, and that it will not knowingly employ or enter into a contract with the same.

ii. The Developer agrees that this compliance will be maintained for the entire duration of this Agreement.

iii. The Developer hereby certifies that is has confirmed employment eligibility of all employees, including subcontractor employees, who are hired to perform work under this Agreement.

b. Knowledge of Legal Status. If the Developer obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with a person that does not have the legal right to work in the United States, the Developer shall:

   i. Notify the subcontractor and the City within three (3) days that there is actual knowledge a person performing work under this Agreement does not have the legal right to work in the United States.

   ii. Terminate the contract with the subcontractor if employment with said person(s) does not halt within three (3) days of receiving notice.

   iii. If the subcontractor can establish within the three (3) days of receiving notice that they did not knowingly employ or contract with a person who does not have the right to work in the United States as described in 8 U.S.C. 1324a(3), termination of the contract is not required.

c. Documentation

   i. The Developer agrees to have copies of completed I-9 forms and the acceptable documentation required by this form within 20 days after hiring an employee, as well as for the employees of any subcontractor that have been assigned to perform work under this Agreement.

   ii. The Developer shall maintain record of this documentation in the grant and/or construction file that they have examined the legal work status of such employee, retained copies of the required documentation, and not altered or falsified the identification documents for such employees. Documentation shall also identify which federally funded project the employee is performing or will perform work.

D. <u>Conduct</u>

1. <u>Assignability</u>

   The Developer shall not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Developer from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City.

2. <u>Subcontracts</u>

   a. Approvals

      The Developer will manage any subcontracts with any agency or individual in the performance of this Agreement.

b. Monitoring

The Developer will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. These reports shall be provided to the City and kept in the Developer files.

c. Content

The Developer shall cause all the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

Except as otherwise provided herein, the Developer shall insure that all subcontracts let in the performance of this Agreement be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the City along with documentation concerning the selection process.

3. Hatch Act

The Developer agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Developer agrees to abide by the provisions of 2 CFR 200, which include (but are not limited to) the following:

a. The Developer shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.

b. No employee, officer, or agent of the Developer shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to SLFRF-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the SLFRF-assisted activity, or with respect to the proceeds from the SLFRF-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Developer, or any designated public agency.

5. Lobbying

The Developer hereby certifies that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c. It will require that the language shown below of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Developers shall certify and disclose accordingly:

   Lobbying Certification:

   This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

   The Developer agrees to execute the Certificate Regarding Lobbying Requirements (Attachment A: Certifications) as required by this Agreement.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, the work or materials for governmental purposes.

E. Drug Free Workplace

The Developer shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 USC § 701 *et seq*.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR part 280, subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Developer shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued and made part of this Agreement.

The Developer agrees to certify a drug free workplace through the execution of the Drug Free Workplace Certification (Attachment A: Certifications) as required by this Agreement.

X. OTHER FEDERAL REQUIREMENTS AND CERTIFICATIONS

The Developer further agrees that the Project will be conducted and administered in compliance with all applicable laws, ordinances, and regulations of the United States, the State of Michigan, and the City of Kalamazoo, as they exist now or may later be enacted or amended, including but not limited to the following:

A. Developer will affirmatively further fair housing opportunities, as outlined under the Fair Housing Act (42 U.S.C. 3601-20) and in 24 CFR 100 and 92.207 as it relates to this Agreement.

B. Architectural Barriers Act of 1968 and 24 CFR Part 8.

C. Implementing regulations of 0MB Circular A-87.

D. Historic Property Regulations (24 CFR Part 58.5) and the Programmatic Agreement for the City of Kalamazoo.

E. Executive Order 11250 - Leadership and Coordination of Non-Discrimination and Executive Order 12259 - Leadership and Coordination of Fair Housing in Federal Programs, as applicable.

F. Americans with Disabilities Act.

G. Debarment and Suspension Requirement at 24 CFR part 24 including Appendix B as required by 24 CFR 92.357.

H. Housing Quality Standards. Developer must ensure units comply with Kalamazoo Housing Code and the Uniform Physical Condition Standards for the duration of the Agreement, if applicable.

I. Clean Air Act, 42 U.S.C., 7401, et. seq., which authorized the Energy Star Program (Attachment A: Certifications)

J. Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.

K. Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference.

XI. TAX EXEMPT

Developer shall submit verification satisfactory to the City of tax-exempt status pursuant to IRC 501(3) and shall notify the City of its expiration date prior to the first request for payment.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The City's failure to act with respect to a breach by the Developer does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This Agreement, including all Attachments and Exhibits, constitutes the entire agreement between the City and the Developer for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the City and the Developer with respect to this Agreement. All prior versions of this agreement are hereby rendered null and void and are superseded by the terms set forth in this Agreement.

XVI. COUNTERPARTS/SIGNATURES

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same instrument. The exchange of copies of this Agreement and signature by personal service, email, facsimile, or other electronic means commonly in use, or any other means permitted by applicable state or federal statute shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Copies shall be deemed to mean any duplicate, reproduction or similar or exact imitation of the original executed Agreement. Signatures of the parties delivered as described above shall be deemed to be their original signatures for all purposes and shall be deemed valid and binding upon the parties as if their original signatures, initials, and modifications were present on the documents in the handwriting of each party. Neither party shall assert the statute of frauds or non-enforceability or validity of this Agreement because of facsimile or similar electronic device copies being used, and the parties specifically wave and relinquish any such defense. Each party agrees to provide an original signed document to the other upon request.

XVII. EFFECTIVE DATE

This Agreement shall be effective when all the parties listed below have signed.

XVIII. ASSISTANCE OF COUNSEL

All parties have had the assistance of or the opportunity to consult with legal counsel in the negotiation and preparation of this Agreement. Therefore, no construction or ambiguity of this Agreement is resolved against either party.

XIX. AUTHORIZED SIGNATURES

The persons signing this Agreement certify by their signatures that this Agreement has been authorized by the parties and they are authorized to sign this Agreement on behalf of the parties.

The parties have signed this Agreement on the date indicated below.

ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
a Michigan limited partnership

By: Legacy 4 GP, LLC
a Michigan limited partnership
Its: General Partner

Date: ______________________ ____

By: Jason Muniz
Its: Manager

CITY OF KALAMAZOO

Date: ______________________ ____
James K. Ritsema, City Manager

APPROVED AS TO FORM FOR CITY OF KALAMAZOO:
Office of the Kalamazoo City Attorney By:
Charles R. Bear, Assistant City Attorney
On: March 28, 2025

ATTACHMENT A: CERTIFICATIONS

1. Drug Free Workplace
2. Energy Star
3. Lobbying
4. Insurance

CITY OF KALAMAZOO
CERTIFICATION BY CHIEF EXECUTIVE OFFICER
REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Certification set out below is a material representation upon which reliance is placed in awarding the grant. If it is later determined that ____ (hereafter referred to as ("Agency"), knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, in addition to any other remedies available to the Federal government, may take action authorized under the Drug-Free Workplace Act.

A. Certification

I, ____________________________, Chief Executive Officer of the Agency, certify that the Agency will provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing a drug-free awareness program to inform employees about:
   a) the dangers of drug abuse in the workplace;
   b) the Agency's policy of maintaining a drug-free workplace;
   c) any available drug counseling, rehabilitation, and employee assistance programs; and
   d) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (1);

4. Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the grant, the employee will:
   a) abide by the terms of the statements; and
   b) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

5. Notifying the City within ten (10) days after receiving notice under subparagraph (4)(b) from an employee or otherwise receiving actual notice of such conviction;

6. Taking one of the following actions, within thirty (30) days of receiving notice under subparagraph (4)(b), with respect to any employee who is so convicted:
   a) taking appropriate personnel action against such an employee, up to and including termination; or
   b) requiring such employee to participate satisfactorily in a drug abuse assistance or

rehabilitation program approved for such purposes by a Federal, state, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5), (6) and (7).

B. Place of Performance

The Agency shall insert in the space provided below the site(s) for the performance of work to be carried out with the grant funds (including street address, city, county, state and zip code). The Agency further certifies that, if it is subsequently determined that additional sites will be used for the performance of work under the grant, it shall notify the City immediately upon the decision to use such additional sites by submitting a revised "Place of Performance" form.

PLACE OF PERFORMANCE FOR CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

NAME OF AGENCY: ____

AGENCY PROGRAM NAME: ____

DATE: ____________________________

The agency shall insert in the space provided below the site(s) expected to be used for the performance of work under the grant covered by the certification. "Place of performance" includes street address, city, county, state, and zip code for each site.

____

____

____

____

_________________________ ____
Date Signature

Name: ____

Its: ____

CITY OF KALAMAZOO
ENERGY STAR CERTIFICATION BY CHIEF EXECUTIVE OFFICER

BACKGROUND:

Energy Star began in 1992 as a program of the U.S. Environmental Protection Agency (EPA) and is now jointly sponsored with the U.S. Department of Energy with a stated goal of helping all Americans save money and protect the environment through energy efficient products and practices. In July 2005, the U.S. Department of Housing and Urban Development (HUD) endorsed Energy Star as an important tool in the provision of affordable housing and announced its participation through the Partnership for Home Energy Efficiency.

Annually, the use of Energy Star helped Americans save over $14 billion on energy bills and reduce greenhouse gas emissions equivalent to what would have been created by over 25 million motor vehicles. More than 9,000 organizations are currently Energy Star partners committed to improving the energy efficiency of products, homes, and businesses.

CERTIFICATION

I, ____, Chief Executive Officer of ____(hereinafter referred to as the Agency), certify that the Agency will participate in the promotion and implementation of Energy Star by:

- Making a commitment to environmental stewardship through continuous improvement in energy use during the development/rehabilitation of housing in and for Kalamazoo;
- Incorporating Energy Star standards into the Agency's publicly funded residential housing project designs;
- When feasible choices exist, selecting/installing Energy Star standard products;
- Incorporating elements of Energy Star into all federally-assisted housing–related projects;
- Assisting in community education by providing the homeowner or tenant with Energy Star educational materials – downloadable from www.energystar.gov

_________________________ ____

Date Signature

Name: ____

Its: ____

THE CITY OF Kalamazoo

CITY OF KALAMAZOO
STANDARD INDEMNITY AND INSURANCE REQUIREMENTS

Subrecipient/Developer, or any of their subcontractors, shall not commence work under this Agreement until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this Agreement. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the City of Kalamazoo within ten (10) days of the Notice of Award. The requirements below should not be interpreted to limit the liability of the Subrecipient. All deductibles and SIR's are the responsibility of the Subrecipient.

The Subrecipient shall procure and maintain the following insurance coverage:

Workers' Compensation Insurance including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than $1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included and (E) XCU coverage if the nature of the Agreement requires XC or U work.

Automobile Liability including Michigan No-Fault Coverages, with limits of liability not less than $1,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

Additional Insured: Commercial General Liability and Automobile Liability, as described above, shall include an endorsement stating that the following shall be Additional Insureds: The City of Kalamazoo, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed that by naming the City of Kalamazoo as additional insured, coverage afforded is considered to be primary and any other insurance the City of Kalamazoo may have in effect shall be considered secondary and/or excess.

To the fullest extent permitted by law the Subrecipient/Developer agrees to defend, pay on behalf of, indemnify, and hold harmless the City of Kalamazoo, its elected and appointed officials, employees, agents and volunteers, and others working on behalf of the City of Kalamazoo against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the City of Kalamazoo, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, which arises out of, or is in any way connected or associated with this Agreement.

Cancellation Notice: All policies, as described above, shall include an endorsement stating that it is understood and agreed that thirty (30) days, or ten (10) days for non- payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Kalamazoo, Purchasing Department, 241 South Street, Kalamazoo, MI 49007.

Proof of Insurance Coverage: The Subrecipient/Developer shall provide the City of Kalamazoo at the time that the Agreements are returned by him/her for execution a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

If any of the above coverages expire during the term of this Agreement, the Subrecipient/Developer shall deliver renewal certificates and/or policies to City of Kalamazoo at least ten (10) days prior to the expiration date.

Scope of Coverage: The above requirements and conditions shall not be interpreted to limit the liability of the Subrecipient/Developer under this Agreement but shall be interpreted to provide the greatest benefit to the City and its officers and employees. The above listed coverages shall protect the Subrecipient/Developer, its employees, agents, representatives and subcontractors against claims arising out of the work performed. It shall be the Subrecipient's responsibility to provide similar insurance for each subcontractor or to provide evidence that each subcontractor carries such insurance in like amount prior to the time such subcontractor proceeds to perform under the Agreement.

Aknowledgement: The Subrecipient/Developer acknowledges receipt of these insurance requirements and understands proper insurance is mandatory to receive federal grants.

______________ ____

Date Signature

Name: ____

Its: ____

CITY OF KALAMAZOO
CERTIFICATION BY CHIEF EXECUTIVE OFFICER REGARDING LOBBYING REQUIREMENTS

I,____, Chief Executive Officer of ____(hereafter referred to as "Agency"), certify, to the best of my knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Agency, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Agency shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions;

3. The Agency shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

__________________________ ____
Date Signature

Name: ____

Its: ____

Attachment B

AMENDED AND RESTATED MORTGAGE
LEGACY SENIOR HOUSING DEVELOPMENT PROJECT

THIS MORTGAGE, made and entered into this _____ day of____________, 2025, by and between **ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP** whose address is 1105 Portage Street, Kalamazoo, Michigan 49001 ("Mortgagor"), initiated under U.S. Department of the Treasury (“USDT”) Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) under the American Rescue Plan Act of 2021, and **CITY OF KALAMAZOO,** a Michigan municipal corporation whose address is 241 West South Street, Kalamazoo, Michigan 49007 (“City").

W I T N E S S E T H:

WHEREAS the Mortgagor, for itself, its successors, and assigns, has acquired the property described in this Mortgage for the purpose of building a new multi-family senior housing (55+) apartment community; and

WHEREAS the Mortgagor is justly indebted to the City in the principal sum of ONE MILLION AND 00/100 ($1,000,000.00) DOLLARS, evidenced by its Developer Loan Agreement executed on __________ day of_________, 2025 and the Promissory Note (Exhibit B) herewith (hereinafter referred to as the "Note"), which Note is identified as being secured hereby by a statement thereon. Said Note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions thereof, however evidenced.

NOW, THEREFORE the said Mortgagor, for the better securing of the payment of such principal sum of money and the performance of the covenants and agreements herein contained, does by these presents, MORTGAGE AND WARRANT into the City, its successors or assigns, the lands, premises and property located in the City of Kalamazoo and in the County of Kalamazoo, and State of Michigan, described in the attached Exhibit A.

TOGETHER with the privileges and appurtenances to the same belonging and all of the rents, issues, and profits which may arise or have there from.

TO HAVE AND TO HOLD the above-mortgaged premises, together with the appurtenances thereunto appertaining unto the said City for the twenty (20) year affordability period of the Note, provided that if the Mortgagor shall meet the requirements of the Note executed by the Mortgagor to the City and shall pay all other sums hereinafter provided for, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage and the Note shall be null and void; otherwise to remain in full effect.

AND the Mortgagor hereby COVENANTS as follows:

1. The Mortgagor will meet the requirements of the Note at the times and in the manner provided therein.

2. The Mortgagor will not permit or suffer the use of the property for which this Mortgage is given for any purpose other than the principal place of residence. In addition, the 34 SLFRF assisted units shall be rented to low-income households (0 – 80 percent of the area median income) for the affordability period of the Note; nor will it permit or suffer alteration of or addition to any structure upon said property without the prior written consent of the City.

3. The Mortgagor will pay before the same becomes delinquent or subject to interest or penalties, all ground rents, taxes, assessments, water rates, and all other charges and encumbrances which now are or shall hereafter be or appear to be a lien upon the said premises or any part thereof (unless otherwise agreed to in writing), and that in default thereof, the City may, without demand or notice, pay the said taxes, assessments, charges or encumbrances, and pay such sum of money as the City may deem to be necessary therefor, and shall be the sole judge of the legality or validity thereof and of the amount necessary to be paid in satisfaction thereof.

4. The Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies as may be stipulated by the City, unless otherwise agreed to in writing.

5. The Mortgagor will not permit or commit any waste on said premises and will keep the buildings thereon and all equipment therein mortgaged, if any, in good repair, and promptly comply with all laws, ordinances, regulations, and requirements of any governmental body affecting the said mortgaged premises, and should said premises or any part thereof require inspection, repair, care, or attention of any kind or nature not provided by the Mortgagor, or by another party responsible therefor, the City, being hereby made sole judge of the necessity therefor, may, after notice to the Mortgagor, enter or cause entry to be made on said property, and inspect, repair, protect, care for or maintain said property as the City may deem necessary, and request the Mortgagor may pay such sum of money as the City may deem to be necessary therefor, and shall be the sole judge of the amount necessary to be paid.

6. Should any default be made in the covenants of this Mortgage, the City may cause the abstract or abstracts of title, or Title Insurance Policy and the tax histories of said premises to be certified to date, or may procure new abstracts of title or Title Insurance Policies and tax histories or title search in case none were furnished to the City, and may pay therefor such sums as it may deem to be necessary, and if unpaid, may pay the Mortgage tax on this instrument, and shall be the sole judge of the amount necessary to be paid therefor.

7. The Mortgagor shall pay the City forthwith the amounts of all sums of money which the City shall pay or expend pursuant to the provisions of the Note and this Mortgage, and such payments by the City shall be a further lien on the premises under this Mortgage.

8. Should any default be made pursuant to the Note, or should default be made in the performance of any other covenants of this Mortgage, or any part thereof, when the same is payable or the time of performance has arrived, as above provided, then all sums due hereunder shall, at the option of the City, without notice, become immediately payable thereafter, although the period above limited for the payment thereof may not have expired, anything herein contained or contained in the Note to the contrary notwithstanding, and any failure to exercise such option shall not constitute a waiver of the right to exercise the same at any other time with respect to the same default or any subsequent default.

9. No forbearances on the part of the City and no extension of the time for the payment of the debt hereby secured, given by the City, shall operate to release, discharge, modify, change, or affect the original liability of the Mortgagor herein either in whole or in part.

10. Upon default being made pursuant to the Note or in the performance of any of the covenants or agreements herein contained according to the terms hereof or of the Note secured hereby the City is authorized and empowered to sell or cause to be sold the property mortgaged, and to convey the same to the purchaser, pursuant to the statute in such case made and provided, and out of the proceeds of such sale to retain the monies due under the terms of this Mortgage, the costs and charges of such sale and also the attorney's fee provided by statute, rendering the surplus monies (if any there should be) to the said Mortgagor. Notwithstanding anything herein or otherwise to the contrary, amounts owing under the Note, and the City's remedies hereunder are, for the avoidance of doubt, subject and subordinate to the prior payment of indebtedness of Mortgagor to the Michigan State Housing Development Authority pursuant to that certain mortgage loan in the amount of Six Million Seven Hundred Ninety-Four Thousand Three Hundred Five Dollars ($6,794,305) and that certain Regulatory Agreement executed in connection therewith, and the Low Income Housing Tax Credit Regulatory Agreement to be recorded against the Property on or after the date hereof, whether or not said obligations are secured by a mortgage on the subject property described herein.

11. The Developer Loan Agreement for SFLFRF funds executed by the Mortgagor as of this _____ day of __________, 2025 is incorporated by reference herein and made a part hereof the same as if said instrument was set forth in its entirety herein, and a default under any of the provisions contained therein shall be deemed a default under the terms of this Mortgage.

12. Mortgagor agrees that in the event it sells or otherwise transfers ownership of the property, it will either enter into such agreements with the purchaser or transferee as may be prescribed by the City which have the effect of causing such purchaser or transferee to be bound by the occupancy and use restrictions of the SLFRF Development Loan Agreement and Note or provide repayment of any remaining SLFRF subsidy as described in the Note.

13. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

14. All prior versions of this Mortgage are hereby rendered null and void and are superseded by the terms set forth in this Mortgage.

IN WITNESS WHEREOF, the Mortgagor has caused these presents to be signed as of the day and year first above written.

MORTGAGOR:
ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
a Michigan limited partnership

By: Legacy 4 GP, LLC
a Michigan limited liability company
Its: General Partner

Date: _______________________ ____

Name: Jason Muniz
Its: Manager

STATE OF MICHIGAN)
:
COUNTY OF ___________________)

On this ______ day of ________________, 2025, before me appeared Jason Muniz, who, being by me duly sworn, did say that he is the Manager of General Partner of Zion Place 4 Limited Dividend Housing Association Limited Partnership, and that the foregoing instrument was signed and sealed on behalf of said Partnership, and he acknowledged said instrument to be the free act and deed of said Partnership.

____

Notary Public
County of ___________________________________
Acting in the County of _______________________
My Commission Expires: ______________________

DRAFTED BY: Julie Johnston
WHEN RECORDED RETURN TO:
Office of the Kalamazoo City Attorney
241 W. South Street, Kalamazoo, Michigan 49007

APPROVED AS TO FORM FOR CITY OF KALAMAZOO:
Office of the Kalamazoo City Attorney
By: Charles Bear
On: March 28, 2025

EXHIBIT A
LEGAL DESCRIPTION

Unit 1 of The Legacy, according to the Master Deed as recorded in Kalamazoo County Records number __________________________ and any amendments thereto and designated as County Subdivision Plan No. _________________, together with the rights in general common elements and limited common elements as set forth in the above Master Deed, and as described in Act 59 of the Public Acts of 1978, as amended.

Exhibit C

AMENDED AND RESTATED AFFORDABLE HOUSING DEED RESTRICTION

THE LEGACY SENIOR HOUSING DEVELOPMENT

This AFFORDABLE HOUSING DEED RESTRICTION is entered into between the City of Kalamazoo ("City"), a municipal corporation whose address is 241 West South Street, Kalamazoo, Michigan 49007, and Zion Place 4 Limited Dividend Housing Association Limited Partnership, whose address is 1105 Portage Street, Kalamazoo, Michigan 49001 ("Developer").

1. The Property.

The restrictions created herein shall apply to 34 units within The Legacy Senior Housing Development to be located at the northwest corner of East North Street and North Edward Street, Kalamazoo, Michigan, 49007 and more particularly described as:

Unit 1 of The Legacy, according to the Master Deed as recorded in Kalamazoo County Records number _________________and any amendments thereto and designated as County Subdivision Plan No. _____________, together with the rights in general common elements and limited common elements as set forth in the above Master Deed, and as described in Act 59 of the Public Acts of 1978, as amended.

2. The Restrictions.

Developer hereby agrees that for a twenty (20) year period from the execution date of this Affordable Housing Deed Restriction, that it shall rent 34 units within the premises to low-income persons or households (80 percent area median income) as defined on an annual basis by the United States Department of Housing and Urban Development (HUD), and that rents no greater than 30 percent of the person’s or household’s adjusted gross income will be imposed.

3. With the Land.

Restrictions imposed herein shall run with the land as currently described or as may be described in the future and shall apply to all successors or assigns by either party.

4. Consideration.

Developer agrees to abide by the restrictions imposed herein in consideration for its having received a loan from the City through the U.S. Department of the Treasury Coronavirus State and Local Fiscal

Recovery Funds under the American Rescue Plan Act of 2021.

5. Accessibility.

The City shall be allowed reasonable access to the premises and the records of the Developer so as to verify compliance with the restrictions imposed herein.

6. Enforcement.

In the event the City determines that the Developer is using the premises in violation of the restrictions imposed herein, the City may file an action with the Circuit Court seeking equitable relief to enjoin the Developer from continuing said violation(s). In the event such relief is pursued and obtained, the Developer shall reimburse the City for all reasonable costs and expenses incurred in obtaining said relief.

7. Prior Restrictions.

All prior Affordable Housing Deed Restrictions on the property subject to this restriction are hereby rendered null and void and are superseded by the terns set forth in this Affordable Housing Deed Restriction.

Executed under seal this________ day of ________________, 2025.

(signature on following page)

ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
A Michigan limited liability company

By: **Legacy 4 GP, LLC**
a Michigan limited liability company
Its: **General Partner**

Date: ________________________ ____

Name: Jason Muniz
Its: Manager

STATE OF MICHIGAN)
:
COUNTY OF ____________________)

On this ______ day of ________________, 2025, before me appeared Jason Muniz, who, being by me duly sworn, did say that he is the Manager of General Partner of Zion Place 4 Limited Dividend Housing Association Limited Partnership, and that the foregoing instrument was signed and sealed on behalf of said Partnership, and he acknowledged said instrument to be the free act and deed of said Partnership.

____

Notary Public
County of _______________________________________
Acting in the County of _____________________________
My Commission Expires: ___________________________

CITY OF KALAMAZOO

Date: ________________________ By: ____

Name: ____
Its: City Manager

STATE OF MICHIGAN)
:
COUNTY OF ___________________)

On this ______ day of ________________, 2025, before me appeared ______________________________, who, being by me duly sworn, did say that he is the City Manager of the City of Kalamazoo, and that the foregoing instrument was signed and sealed on behalf of the City, and he acknowledged said instrument to be the free act and deed of the City.

____
Notary Public
County of ______________________________________
Acting in the County of ___________________________
My Commission Expires: __________________________

DRAFTED BY: Julie Johnston
WHEN RECORDED RETURN TO:
Office of the Kalamazoo City Attorney
241 W. South Street, Kalamazoo, Michigan 49007

APPROVED AS TO FORM FOR CITY OF KALAMAZOO:
Office of the Kalamazoo City Attorney
By: Charles Bear
On: March 28, 2029

AMENDED AND RESTATED PROMISSORY NOTE ("Note")

$1,000,000.00 LOAN TO: ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

1. For value received, Zion Place 4 Limited Dividend Housing Association Limited Partnership, ("Borrower"), whose address is 1105 Portage Street, Kalamazoo, Michigan 49001 promises to pay to the City of Kalamazoo ("City"), whose address is 241 West South Street, Kalamazoo, Michigan 49007, or at such other place the City may designate by written notice to the Borrower, the principal sum of ONE MILLION AND 00/100 ($1,000,000.00) DOLLARS. The first principal loan payment in the amount of $50,000 will be due on May 31, 2027, which is expected to be at least 12 months from the issuance of the first Certificate of Occupancy for the developed The Legacy Senior Housing Development ("Project"), with a payment of like amount, unless noted herein, on the same date each year thereafter for twenty (20) years. This Note is executed pursuant to the provisions of the Loan Agreement ("Loan") dated the _____ of _____________, 2025 between City and Borrower.

2. Notwithstanding the above-referenced payment terms, Borrowers' obligation to pay the principal otherwise due under this Note is qualified as follows:

    a. Each year the Developer will provide supplemental information schedules from their annual audit confirming the affordability period referenced in the Developer Loan Agreement and the Affordable Housing Deed Restriction (Exhibit C). This information must be provided to the City within 30 days of audit completion. Monitoring of the required affordability period of the Project is ensuring 34 units remain affordable to senior (55+) making 80 percent or less of the area median income as established annually by the U.S. Department of Housing and Urban Development.

    b. The annual principal payment amount is calculated to be $50,00.00 at zero (0) percent interest, payable in twenty (20) equal annual installments, commencing on May 31, 2027, which is expected to be at least 12 months after the date the first Certificate of Occupancy is received for the Project and continuing until the entire unpaid balance is paid in full. Any change in the date for installment payments to commence must be agreed to and executed by the parties in writing.

    c. City shall credit the payment on the date it is received; payment proceeds shall be first applied to satisfy any outstanding costs or expenses due to City by Borrower in relation to the borrowing documented in part by this Note, then to the principal.

    d. To assist Borrower with the payment schedule above, an amortization schedule is attached to this Note as Exhibit D. This schedule assumes that payments are received by City on the date such payments are due. The last, and potentially other payments listed in the schedule may vary depending on several factors, which may include:

        i. Borrower making early or late installment payments; or

        ii. Borrower making payments of additional principal; or

iii. City is entitled to recoup additional costs or expenses or is entitled to increase the rate of interest either of which was the result of a default by Borrower as set forth below.

e. All payments shall be made to “Kalamazoo City Treasurer”, with an indication that it is to be applied towards the Loan given to Borrower by City, and be sent to the City of Kalamazoo Treasurer, 241 W. South Street, Kalamazoo, Michigan 49007.

3. Borrower may prepay the Note, in whole or in part, at any time without premium or penalty. City shall apply any partial prepayment first to reimburse City for any documented outstanding costs or expenses it has disclosed to the Borrower and to which it is entitled under this Note, then to the principal. Any prepayment, however, shall not postpone the due date of any subsequent annual installments.

4. City may accelerate the indebtedness and declare the entire unpaid balance immediately due and owing if any of the following events occur before this Note is fully paid, and the event is not cured within ninety (90) days, to the extent cure is available:

   a. Borrower fails to submit affordability paperwork to City within forty-five (45) days of receipt of annual monitoring documentation from City; or

   b. Borrower becomes insolvent or is subject to receivership, bankruptcy, or other insolvency proceedings, whether or not under court supervision; or

   c. Borrower fails to fully comply with the terms of the Loan.

   Partial payment or late payment shall not deprive City of its right to accelerate the indebtedness and demand the total unpaid balance due and payable.

5. If a lawsuit is instituted by the City to recover on this Note, or if the City must take other actions to collect upon this Note, and Borrower agrees to pay all costs of such action(s), including reasonable attorney fees. The parties agree that the proper venue for any lawsuit relating to this Note, or the Mortgage is in Kalamazoo County and is governed by Michigan law. If the Note is reduced to judgment, such judgment shall bear interest at a rate of three percent (3.0%) per annum unless such rate is declared unenforceable.

6. Acceptance by City of a payment in an amount less than the amount due is considered an acceptance on account only and Borrower’s failure to pay the entire amount then due shall continue to be an event of default justifying acceleration.

7. Borrower waives presentment for payment, demand, notice of non-payment, notice of protest or protest of this Note, any defenses under Section 36-605 of the Michigan Uniform Commercial Code, the release of any of the collateral securing the Loan.

8. This loan will be nonrecourse to Borrower.

9. All prior Notes executed by the Borrower as security for payment of the loan for which this Note is pleaded are hereby rendered null and void and are superseded by the terms set forth in this Note.

ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

By: Legacy 4 GP, LLC
a Michigan limited liability company
Its: General Partner

Date: _______________________ _______________________________________

Name: Jason Muniz
Its: Manager

STATE OF MICHIGAN)
:
COUNTY OF ___________________)

On this ______ day of ________________, 2025, before me appeared Jason Muniz, who, being by me duly sworn, did say that he is the Manager of General Partner of Zion Place 4 Limited Dividend Housing Association Limited Partnership, and that the foregoing instrument was signed and sealed on behalf of said Partnership, and he acknowledged said instrument to be the free act and deed of said Partnership.

____

Notary Public
County of ____
Acting in the County of ___________________________________
My Commission Expires: ___________________________________

APPROVED AS TO FORM FOR CITY OF KALAMAZOO:
Office of the Kalamazoo City Attorney
By: Charles Bear
On: March 28, 2025

EXHIBIT D

Amoritization Schedule - The Legacy Senior Housing Development

	Payment Date	Principal	Percentage	Annual Percentage	Annual Payment	Remaining Balance
Year 1	5/31/2027	$ 50,000.00	0%	$ -	$ 50,000.00	$ 950,000.00
Year 2	5/31/2028	$ 50,000.00	0%	$ -	$ 50,000.00	$ 900,000.00
Year 3	5/31/2029	$ 50,000.00	0%	$ -	$ 50,000.00	$ 850,000.00
Year 4	5/31/2030	$ 50,000.00	0%	$ -	$ 50,000.00	$ 800,000.00
Year 5	5/31/2031	$ 50,000.00	0%	$ -	$ 50,000.00	$ 750,000.00
Year 6	5/31/2032	$ 50,000.00	0%	$ -	$ 50,000.00	$ 700,000.00
Year 7	5/31/2033	$ 50,000.00	0%	$ -	$ 50,000.00	$ 650,000.00
Year 8	5/31/2034	$ 50,000.00	0%	$ -	$ 50,000.00	$ 600,000.00
Year 9	5/31/2035	$ 50,000.00	0%	$ -	$ 50,000.00	$ 550,000.00
Year 10	5/31/2036	$ 50,000.00	0%	$ -	$ 50,000.00	$ 500,000.00
Year 11	5/31/2037	$ 50,000.00	0%	$ -	$ 50,000.00	$ 450,000.00
Year 12	5/31/2038	$ 50,000.00	0%	$ -	$ 50,000.00	$ 400,000.00
Year 13	5/31/2039	$ 50,000.00	0%	$ -	$ 50,000.00	$ 350,000.00
Year 14	5/31/2040	$ 50,000.00	0%	$ -	$ 50,000.00	$ 300,000.00
Year 15	5/31/2041	$ 50,000.00	0%	$ -	$ 50,000.00	$ 250,000.00
Year 16	5/31/2042	$ 50,000.00	0%	$ -	$ 50,000.00	$ 200,000.00
Year 17	5/31/2043	$ 50,000.00	0%	$ -	$ 50,000.00	$ 150,000.00
Year 18	5/31/2044	$ 50,000.00	0%	$ -	$ 50,000.00	$ 100,000.00
Year 19	5/31/2045	$ 50,000.00	0%	$ -	$ 50,000.00	$ 50,000.00
Year 20	5/31/2046	$ 50,000.00	0%	$ -	$ 50,000.00	$ -

SUBORDINATION AND INTERCREDITOR AGREEMENT

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this "Agreement") is entered into with an effective date as of the ______day of ___________, 2025, by the **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**, a body corporate and politic of the State of Michigan (the "Authority"), whose address is 735 E. Michigan Avenue, Lansing, Michigan 48912, **ZION PLACE 4 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP**, a Michigan limited partnership ("Borrower"), whose address is c/o Edison Community Partners, LLC, 1105 Portage Street Kalamazoo, MI 49001, the **CITY OF KALAMAZOO**, a Michigan municipal corporation (the "City"), whose address is 241 West South Street, Kalamazoo, Michigan 49007, and **KALAMAZOO COUNTY**, a municipality and political subdivision of the State of Michigan (the "County"), whose address is 201 West Kalamazoo Ave., Kalamazoo, MI 49007. The City and County may from time-to-time hereafter be referred to collectively as the "Creditors".

R E C I T A L S:

A. The Authority is making a tax-exempt bond construction mortgage loan in the amount of Six Million Eight Hundred Thirty-Three Thousand Two Hundred Thirteen Dollars ($6,833,213) (the "Authority Loan"), as per its own terms, to aid the Borrower in the acquisition and development financing of a housing development for persons of low and moderate income, known **The Legacy: Senior Housing 4%**, MSHDA Development No. **4171**, and legally described on Exhibit A attached hereto (the "Development").

B. The Authority Loan will be evidenced by a mortgage note (the "Authority Note") and will be secured by a mortgage (the "Authority Mortgage"). In connection with the Authority Loan, Borrower is entering into a Regulatory Agreement, including a covenant running with the land that Borrower will comply with certain income, rent and affordability restrictions applicable to the Development (the "Authority Regulatory Agreement"), a Building Loan Agreement, and other related documents to be dated on even date herewith and to be as applicable recorded in the real estate records of Kalamazoo County, Michigan, and collectively to be referred to as the "Authority Loan Documents".

C. At the expiration of the Authority Loan's 24-month construction term, the principal balance of the Authority Loan will be reduced to a permanent loan amount on the first day of the month following the month in which the 24-month Authority Loan construction term expires or such later date as established by the Authority (the "Permanent Financing Date").

D. The City has made a mortgage loan to Borrower, in the amount of One Million and No/100 Dollars ($1,000,000.00) (the "City ARPA Loan"), which may be funded in part with the use of funds provided by the U.S. Department of the Treasury ("USDT") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") under the American Rescue Plan Act of 2021 ("ARPA"), pursuant to that certain Developer Loan Agreement between Borrower and the City dated as of _________, 202__ (the "City ARPA Loan Agreement"), payable in accordance with the provisions of that certain Promissory Note made by Borrower in favor of the City, in the principal aggregate sum equal to the amount of the City ARPA Loan (the "City ARPA Note"), and secured by a mortgage encumbering the Development, a Deed Restriction encumbering the Development, and other loan documents dated on or about the date hereof in connection with the City ARPA Loan (collectively, the "City ARPA Loan Documents").

E. The City has made a mortgage loan to Borrower in the amount of Five Hundred Thousand and No/100 ($500,000.00) (the "City HOME Loan"), which may be funded in part with the use of funds provided by the U.S. Department of Housing and Urban Development ("HUD") under the HOME Investment Partnership Program of the Cranston-Gonzales National Affordable Housing Act, pursuant to that certain Developer Agreement between Borrower and the City dated as of _________, 202__ (the "City HOME Loan Agreement"), payable in accordance with the provisions of that certain Promissory Note made by Borrower in favor of the City, in the principal aggregate sum equal to the amount of the City HOME Loan (the "City HOME Note"), and secured by a mortgage encumbering the Development and other loan documents dated on or about the date hereof in connection with the City HOME Loan (collectively, the "City HOME Loan Documents").

F. The County has made housing funding available to Borrower utilizing funds from the County's Housing Millage in the amount of Seven Hundred Forty Thousand and No/100 Dollars ($740,000.00) (the "County Housing Funds") for use in connection with the Borrower's development and construction of the Project, which is payable in accordance with the provisions of that certain Promissory Note (Millage) made by Borrower in favor of the County in the principal aggregate sum equal to the amount of the County Housing Funds (the "County Note"), and secured by a mortgage encumbering the Development and other housing funding documents dated on or about the date hereof in connection with the County Housing Funds (collectively, the "County Housing Funding Documents").

G. The County has made a mortgage loan to Borrower, in the amount of Five Hundred Fifty Thousand and No/100 Dollars ($550,000.00) (the "County Loan"), which may be funded in part with the use of funds provided by the USDT SLFRF under ARPA, pursuant to that certain Developer Loan Agreement between Borrower and the County dated as of _________, 2025 (the "County Loan Agreement"), payable in accordance with the provisions of that certain Promissory Note made by Borrower in favor of the County, in the principal aggregate sum equal to the amount of the County Loan (the "County Note"), and secured by a mortgage encumbering the Development, a Deed Restriction encumbering the Development, and other loan documents dated on or about the date hereof in connection with the County Loan (collectively, the "County Loan Documents").

H. The Authority, the City and the County (who may be individually referred to herein as a "Lender" or collectively as the "Lenders") have interests in the same real and personal property and wish to set forth their priorities and other agreements relating to the Development and also coordinate some of their activities relating to the loans.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are acknowledged, the parties hereby agree as follows:

1. Priority.

a. The Lenders hereby agree that, notwithstanding the order of their execution, filing, perfection or recording, the priority of the documents evidencing each of their respective loans and the security, title, liens, and security interests created or granted under the Authority Loan Documents, the City ARPA Loan Documents, the City HOME Loan Documents, the County Housing Funding Documents and the County Loan Documents (collectively, the "Loan Documents") and the rights, powers, and privileges granted to the Lenders under their respective Loan Documents shall be as follows:

i. First priority - the Authority Loan and the Authority Loan Documents;

ii. Second priority – the City ARPA Loan and the City ARPA Loan Documents;

iii. Third priority – the City HOME Loan and the City HOME Loan Documents;

iv. Fourth priority – the County Housing Funds and the County Housing Funding Documents; and

v. Fifth priority – the County Loan and the County Loan Documents.

b. Each Lender acknowledges that, notwithstanding anything herein or in any of the Loan Documents to the contrary, the City ARPA Loan Documents, the City HOME Loan Documents, the County Housing Funding Documents and the County Loan Documents will at all times be subordinate to the Authority Loan and Authority Loan Documents, including but not limited to the Authority Regulatory Agreement executed in connection with the Authority Loan. The City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents and the County Loan Documents and security instruments will also be subject to the terms of Addendum 1 to the Regulatory Agreement.

c. Each Lender also acknowledges that the Development is intended to receive the benefits of low income housing tax credits ("Credits") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and that it is a condition of the receipt of the Credits that the Borrower record an "extended low-income housing commitment" (as defined in Section

42(h)(6)(B) of the Code) (the "Extended Use Agreement"). Each Lender agrees that, in the event that it shall acquire title to the Development by foreclosure or instrument in lieu of foreclosure, it will comply with the Extended Use Agreement's limitations on evictions, termination of tenancy and increases in rents for the three year period following such Lender's acquisition of the Development by foreclosure or instrument in lieu of foreclosure, as set forth in Section 42(h)(6)(E)(ii) of the Code.

2. Consent to Loans. Subject to this Agreement, (a) Authority acknowledges and consents to the City ARPA Loan, City ARPA Loan Documents, City HOME Loan, City HOME Loan Documents, County Housing Funds, County Housing Funding Documents, County Loan and County Loan Documents; and (b) City and County acknowledge and consent to the Authority Loan and the Authority Loan Documents.

3. Terms of Subordination by Creditors for Benefit of Authority.

a. Generally – Subordination of City ARPA Loan, City ARPA Loan Documents, City HOME Loan, City HOME Loan Documents, County Housing Funds, County Housing Funding Documents and County Loan and County Loan Documents to the Authority Loan and the Authority Mortgage. The City ARPA Loan, City HOME Loan, County Housing Funds and County Loan are and shall be subordinate in right of payment in the manner set forth in this Agreement to the prior payment in full of the Authority Loan. The City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, and County Loan Documents are and shall be subject to and subordinate in all respects to the Authority Mortgage and all other Authority Loan Documents.

b. Subordination of Subrogation Rights. If, by reason of Creditors' payment of real estate taxes or other monetary obligations of Borrower, or by reason of Creditors' exercise of any other right or remedy under the respective City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, and County Loan Documents, Creditors acquire by right of subrogation or otherwise a lien on the Development which (but for this subsection) would be senior to the lien of the Authority Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the Authority Mortgage.

c. Payments on City ARPA Loan, City HOME Loan, County Housing Funds and County Loan. Other than the scheduled debt service payments required under the City ARPA Loan Documents, or otherwise with the prior written consent of Authority, Borrower shall not make, and Creditors shall not accept, any payments under or pursuant to the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, or County Loan Documents until such time as the Authority Loans are paid in full.

4. Notice of Defaults.

a. The Lenders covenant and agree to deliver to each other a copy of any notice given to the Borrower with respect to any non-payment or any other default under the Lender's respective Loan Documents (a "Default Notice"), which Default Notice shall specify the nature of the default and the applicable cure period. Such Default Notice shall be given at the same time and in the same manner as the corresponding Default Notice is given to the Borrower and, notwithstanding any contrary provision contained in any other Lender's document, all such notices shall be sent in accordance with Section 7 of this Agreement.

b. No Lender shall have any obligation to approve or fund all or any portion of an Application for Payment, if there exists a default (for which a Default Notice has been given) under the respective Loan Documents.

c. No Default Created by Loans. Each Lender agrees that Borrower's execution and delivery of the other Lender's Loan Documents (or the assumption of liability under those Loan Documents) does not create an event of default under its Loan Documents.

d. Default under Authority Loan Documents.

i. Notice of Default and Cure Rights. Authority shall deliver to Creditors notice of a default under the Authority Loan (an "Authority Loan Default") within five (5) Business Days in each case where Authority has given a notice of an Authority Loan Default to Borrower. Creditors shall have no right to cure any Authority Loan Default. Failure of Authority to send a notice of an Authority Loan Default to Creditors shall not prevent the exercise of Authority's rights and remedies under the Authority Loan Documents, subject to the provisions of this Agreement.

ii. Authority's Exercise of Remedies after Notice to Creditor. If an Authority Loan Default occurs and is continuing, Authority shall give Creditors at least 60 days' prior notice, in writing, of its intent to commence foreclosure proceedings with respect to the Development under the Authority Loan Documents or exercise any other rights or remedies it may have under the Authority Loan Documents, including, but not limited to, accelerating the Authority Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder. During such 60-day period, Authority shall be entitled to exercise and enforce all other rights and remedies available to Authority under the Authority Loan Documents and/or under applicable laws, including without limitation, rights to enforce the Regulatory Agreements and other covenants and agreements of Borrower relating to income, rent, or affordability restrictions including the imposition of civil monetary penalties.

e. Default under City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, and County Loan Documents.

i. Notice of Default and Cure Rights. A Creditor under whose documents a default has occurred shall deliver to the Authority a Default Notice within five (5) Business Days in each case where Creditor has given a Default Notice to Borrower. Authority shall have the right, but not the obligation, to cure any default within 60 days following the date of such notice. All amounts paid by Authority to cure a default shall be deemed to have been advanced pursuant to, and shall be secured by the lien of the Authority Mortgage. Failure of Creditor(s) to send a Notice of Default to Authority shall not prevent the exercise of Creditors' rights and remedies under the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, and County Loan Documents, as applicable, subject to the provisions of this Agreement.

ii. Creditor's Exercise of Remedies After Notice to Authority. If a default occurs and is continuing under the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, or County Loan Documents, Creditor(s) shall give Authority at least 60 days' prior notice, in writing, of its intent to commence foreclosure proceedings with respect to the Development under the respective City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, or County Loan Documents, as applicable, or exercise any other rights or remedies available under the respective City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, or County Loan Documents, as applicable, including, accelerating the defaulted loan. However, during such 60-day period, Creditor(s) shall be entitled to exercise and enforce all other rights and remedies available to Creditor(s) under the respective City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, or County Loan Documents and/or under applicable laws, including without limitation, rights to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions including the imposition of civil monetary penalties, except to the extent that such rights and remedies would cause a breach of the Authority Regulatory Agreement or Extended Use Agreement contained therein.

5. Conflict. In the event of any conflict or inconsistency between the terms of the Authority Loan Documents, City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents, and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the liens of Creditors and Extended Use Agreement in the Development; (b) the timing of the exercise of remedies by Creditors and under the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents, and the Authority Loan Documents, respectively; and (c) solely as between Creditors and Authority, (i) the notice requirements, cure rights, and the other rights and obligations which Creditor and Authority have agreed to as expressly provided in this Agreement, and (ii) the matters provided for in Section 8 below. Borrower acknowledges that the provisions of this Agreement shall not, and shall not be deemed to, extend time to cure any default, give Borrower the right to notice of any default, other than that, if any, provided under the City ARPA Loan Documents, the City HOME Loan Documents, the County Housing Funding Documents, the County Loan Documents or the Authority Loan Documents; or create any other right or benefit for Borrower as against Creditor(s) or Authority.

6. Certain Additional Matters. Subject to the other terms of this Agreement, the following provisions shall supersede any provisions of the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents, or the Authority Loan Documents covering the same subject matter:

a. Protection of Security Interest. Neither Creditors nor Authority shall take any action which has the effect of increasing the indebtedness outstanding under, or secured by, City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents, the Development, or the Authority Loan Documents, except that Creditors and Authority shall have the right to (1) advance funds to cure an Authority Loan Default, (2) advance funds pursuant to the Authority Mortgage for the purpose of paying real estate taxes and insurance premiums, and making necessary repairs to the Development, and (3) cure other defaults by Borrower under the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents or the Authority Loan Documents, as applicable; including the completion of the construction of the Development in accordance with the Authority Loan Documents.

b. Casualty or Condemnation. Creditors and Authority may be listed as loss payees as their interests appear on all insurance policies maintained on the Development. In the event of a taking or threatened taking by condemnation or the exercise of a power of eminent domain (collectively, a "Taking") or the Development is damaged or destroyed by fire or some other hazard (collectively, a "Casualty"), the City and County agree that their respective rights to participate in any action, adjustment, settlement, award, or insurance proceeds resulting from the Taking or Casualty (under the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents or otherwise) is subordinate to Authority's rights under the Authority Loan Documents and the following provisions shall apply:

i. During any time that the Authority Loan remains outstanding, the Authority shall have the sole right to determine how the proceeds or award received due to a Taking or Casualty shall be applied but agrees to consult with the City (if not paid in full) and the County (if not paid in full) in good faith regarding the application of such amount. Subject to the preceding sentence, if the Authority makes insurance proceeds or a condemnation award to which it is entitled under the Authority Loan Documents available to Borrower for the restoration of the Development, the City and County shall also make available to Borrower for the purpose of restoration the insurance proceeds or condemnation award (if any) to which it is entitled under their respective Loan Documents. Notwithstanding the foregoing, the Authority will make an award from a Taking available to Borrower if, in the Authority's reasonable judgement, the Development can be restored to the condition it was in immediately prior to such condemnation, but in all events such proceeds shall be applied toward the restoration of the Development if eighty percent (80%) or less of the building is condemned. Notwithstanding the foregoing, the Authority agrees to make the insurance proceeds resulting from a Casualty available for the repair and/or restoration of the Development so long as (a) no event of default exists under any of the Loan Documents, or a condition that, with the passage of time, could give rise to an event of default under the Loan Documents, (b) in the Authority's reasonable judgment such repair and/or restoration can be completed with the insurance proceeds and other funds available to the Borrower. Creditors and Authority agree that any repair or restoration must be in accordance with Authority requirements.

ii. The rights of Creditors to participate in any proceeding or action relating to a Taking or a Casualty, or to participate or join in any settlement of, or to adjust any claims resulting from a Taking or a Casualty shall be subordinate in all respects to Authority's rights under the Authority Loan Documents with respect thereto; provided that Creditors may file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty.

iii. All proceeds received or to be received on account of a Taking or a Casualty ("Proceeds"), or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment on the Authority Loans) in the manner determined in its sole discretion by Authority; provided that any Proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Authority Loans shall be paid to, and may be applied by, Creditors and Authority in accordance with the applicable provisions of the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents, County Loan Documents, and the Authority Loan Documents, as applicable. If the Authority applies the proceeds or award from any Taking or Casualty towards payment of the Authority Loan, its rights and interests in such proceeds or awards shall terminate upon the Authority Loan being paid in full and any excess shall be promptly delivered to the City and County, as their interests may appear, and will be applied in accordance with the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents and County Loan Documents, as their interests may appear.

c. Disbursements of Authority Loans. Pursuant to the Authority Loan Documents, the proceeds of the Authority Loans will be disbursed in periodic draws to pay or reimburse Borrower for costs of renovating the Development and other permitted costs. All disbursements will be made in compliance with Authority loan draw procedures.

d. Tax Credit Regulatory Agreement. The subordination and priority provisions of this Agreement do not apply to the Tax Credit Regulatory Agreement. Creditors agree that the City ARPA Loan Documents, City HOME Loan Documents, County Housing Funding Documents and County Loan Documents shall be subject and subordinate to Section 6 of the Tax Credit Regulatory Agreement.

e. Development Transfers. Creditor and Authority agree that, in the event of a foreclosure, deed in lieu of foreclosure or other voluntary or involuntary transfer of ownership of the Development, all Authority requirements for any such transfer must be met, including a determination by Authority that the entity assuming the Borrower's interest is an eligible borrower under Section 44(1)(a) of Act 346 of the Michigan Public Acts of 1966, as amended.

7. Notices. Each notice or other communication which a party is required or permitted to give to another party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be based upon the date of actual receipt), addressed to the respective parties as follows:

If to the City: 241 West South Street
Kalamazoo, Michigan 49007
Attention: Sharilyn Parsons

With a copy to: 241 West South Street
Kalamazoo, Michigan 49007
Attention: Julie Johnston, AICP

If to the County: Mary Balkema
Housing Director
201 West Kalamazoo Ave.
Kalamazoo, MI 49007

If to Authority: if by U.S. Mail:

Michigan State Housing Development Authority
P.O. Box 30044
Lansing, Michigan 48909
Attn: Chief Legal Affairs Officer

if by other than U.S. Mail:

Michigan State Housing Development Authority
735 E. Michigan Avenue
Lansing, Michigan 48912
Attn: Chief Legal Affairs Officer

If to Borrower: Zion Place 4 Limited Dividend Housing Association Limited Partnership
c/o Edison Community Partners, LLC
1105 Portage Street
Kalamazoo, MI 49001
Attn: Jason Muniz

With a copy to: Honigman LLP
650 Trade Centre Way, Suite 200
Kalamazoo, Michigan 49002-0402
Attention: Steven J. Rypma

8. Loan Administration and Funding. The Development will be acquired and the work of constructing and/or rehabilitating the Development (the "Work") will be performed pursuant to the development proforma attached hereto as Exhibit B (the "Development Proforma"). As set forth in the Development Proforma, the total amount to acquire and develop the Project is estimated to be $***_________ (the "Total Development Cost"). In addition to the Authority Loan, the City ARPA Loan, City HOME Loan, County Housing Funds and the County Loan, the following sources have been committed to fund the Total Development Cost:

A.	LIHTC Syndication Proceeds	$_________
B.	Deferred Developer Fee	$_________
C.	Income from Operations	$_________
D.	Seller Note	$_________
	TOTAL	$_________

The proceeds of the Lenders' loans shall be disbursed pursuant to the schedule set forth as Exhibit C (the "Disbursement Schedule"), as requests for draws from the Authority Loan, the City ARPA Loan, City HOME Loan, County Housing Funds and the County Loan from Borrower are received and approved by Lenders.

Borrower shall be responsible for funding any remaining amounts owed for the work from Borrower's equity or some other source.

9. Draw Procedures. The Loan Documents contain provisions relating to how and when the proceeds of the Lender's respective loans are to be disbursed to or for the benefit of the Borrower. Except as specifically and expressly modified by this Agreement, the requirements and conditions for disbursing funds under those Loan Documents are not superseded by this Agreement.

a. The initial draw at the closing with the Authority shall be made on the Authority's Application for Disbursement – First Draw. Subsequent draw requests ("Draw Requests") submitted to the Authority shall be made on the Authority's Application for Disbursement of Mortgage Loan Proceeds. Draw Requests from the City shall be governed by the City ARPA Loan Documents and City HOME Loan Documents. Draw Requests from the County shall be governed by the County Housing Funding Documents and County Loan Documents.

b. A mutually agreed upon day once a month, beginning in __________, shall be the date (the "Walk-Through Date") upon which American Village Builders, LLC (the "Contractor"), Abonmarche Consultants, Inc. (the "Architect"), the Borrower, the Authority inspector (the "Authority Inspector"), the City's inspecting consultant (the "City Inspector"), the County's housing director or their designee (the "County Inspector") and any other authorized party shall conduct an on-site inspection of the progress of the construction work on the Development (an "Inspection Meeting"). Each month, at least five (5) days prior to the Walk-Through Date, the Borrower shall submit to the Architect, the City Inspector, the County Inspector and the Authority Inspector, a Draw Request for work that is completed through the final day of the current application period that is the subject of the Draw Request (less, when applicable, construction retainage amounts calculated in accordance with the Construction Contract between Borrower and Contractor). In addition, the Borrower will furnish to the Architect, the City Inspector, the County Inspector and the Authority Inspector, on or before the Walk-Through Date, copies of any proposed change order to be reviewed at the Inspection Meeting.

c. At each Inspection Meeting, the Architect, the Borrower, the City Inspector, the County Inspector and the Authority Inspector, shall determine whether they agree with the Borrower's Draw Request. If the Architect, after consideration of objections or comments by any other party attending the Inspection Meeting or presented in writing by any party not attending the Inspection Meeting, agrees with the Draw Request, it shall approve same and shall execute an Architect's certificate, certifying that all work related to such Draw Request has been performed in accordance with the plans and specifications for the Development and the percentage of the Development that has been completed. If Architect approves the Draw Request and the Draw Request is approved by the City Inspector, the County Inspector and the Authority Inspector, such parties shall signify such approval by initialing the Draw Request for payment or signing an approval memo. If the Architect, the Authority, the City or the County does not approve the Draw Request, then the objecting party shall inform Borrower and require Borrower to immediately amend said Draw Request, and until so amended to the satisfaction of Architect, the Authority, the City, and the County, no disbursements shall be owed to Borrower or Contractor.

d. The Borrower and Architect shall prepare and forward to the Authority and the City and the County a complete application for payment ("Application for Payment") which shall include the approved Draw Request and all other documents required by the Authority, the

City and the County. Funds shall be disbursed for the items shown and pursuant to the Disbursement Schedule. The Authority, the City's and the County's approval of an Application for Payment shall be governed by their applicable funding/loan agreements. If the Authority, the City or the County shall find that the Application for Payment does not conform to their respective requirements (other than by reason of a dispute regarding the amount of the Draw Request, resolution of which shall be governed by subsection c. above) such Lender shall notify the other parties and the Borrower of such deficiency. Neither the Authority nor the County nor the City shall have any obligation to fund its share of an Application for Payment that such Lender determines does not conform to or satisfy the requirements of the pertinent Lender requirements. If any deficiency is not resolved to the satisfaction of the objecting Lender within five (5) working days after receipt of a deficiency notice, the Application for Payment shall be suspended pending resolution of such deficiency, or shall be paid as modified by the joint instructions of the Authority, the City and the County.

e. Prior to any lender making any advance pursuant to an Application for Payment, Borrower shall cause Cinnaire Title Agency (the "Title Company") to prepare and transmit endorsements to each applicable Lender's title insurance policy as appropriate, updating title to the Development and showing all recorded liens, easements and encumbrances thereon since the date of issuance of said loan title insurance policy or the immediately preceding title guarantee or insurance, as applicable. If any construction liens have been filed, the Borrower shall bond over such liens in accordance with governing law or post adequate security, as determined by the Title Company, to enable the Title Company to affirmatively insure all Lenders against any and all loss or damage in connection therewith.

f. Upon approval of a Draw Request and (other than the final Draw Request) receipt of all necessary approvals and certificates by a Lender, that Lender shall disburse the proceeds of its Loan, less any retainage required or permitted under the respective loan documents. Borrower shall fund any amounts not funded by the Lenders. Disbursements shall be made to the parties and in the amounts shown on the approved Draw Request. Any Lender may disburse at any time if it so desires. No Lender shall be required to disburse any amount if there is a default under its respective loan documents.

g. No Lender shall have any obligation to fund more than its respective share, if any, of any pending Application for Payment.

h. Each Lender's inspection is for the sole benefit of such Lender, and each Lender acknowledges that no Lender will be subject to liability to any other Lender as a result of such other Lender's reliance on an inspection by such Lender.

i. Each Lender will provide oversight monitoring for compliance with its applicable labor standards. In the event of notification by either Lender of potential or demonstrated violations of applicable labor standards resulting in an underpayment of wages of employees of the Contractor or one or more subcontractors, the City, the County, and/or the Authority shall be authorized to implement withholding or escrow arrangements satisfactory to it to ensure payment of back wages and/or liquidated damages. Nothing herein shall relieve Borrower of its obligations to ensure compliance with applicable labor standards.

j. Borrower must obtain the prior written approval of all Lenders for all change orders, to the extent required by the applicable Lender's Loan Documents. To the extent required by the applicable Lender's Loan Documents, proposed change order shall be submitted to the Lenders along with any supporting information or documentation, including any consents or documents required under the Loan Documents. Each Lender acknowledges its acceptance of the Architectural Drawings and the Specifications prepared by the Architect dated ****_______. Upon request of a Lender, Borrower shall promptly provide any additional information or documentation the Lender may request. If a Lender approves or disapproves the change order, it shall notify Borrower and the other Lender in writing of that approval or disapproval and, if it is a disapproval, the reasons for it. In the event of disapproval, the disapproving Lender(s) and Borrower shall diligently and in good faith attempt to resolve any differences relating to the change order request, but no Lender shall be liable to Borrower or any other person for its failure to approve a change order.

k. Notwithstanding any provisions herein to the contrary, neither the City nor the County shall acquire the right to review or approve draw requests, change orders or other construction or draw-related materials by virtue of this Section, if such rights are not otherwise set forth in the Loan Documents between the City or County, as applicable, and the Borrower. Further, at such time that the City or the County has fully disbursed the City ARPA Loan and City HOME Loan or the County Housing Funds and County Loan, respectively, such Lender shall have no further rights to review or approve draw requests or change orders under this Section.

10. Additional Advances. No Lender shall make advances under its Loan Documents that would cause the outstanding principal balance to exceed the maximum principal amounts set forth in the Recitals without the prior consent of the other Lenders, unless the advance is needed to protect that Lender's interest in the Development (such as payment for real estate taxes, property insurance premiums that are in arrears, repairs, completion of the work, or payments under the terms of this Agreement). The foregoing restriction shall not, however, prohibit a Lender from waiving any of its rights and privileges under its Loan Documents or permitting any departure by Borrower from the performance of its duties and obligations, and any such waiver or departure shall not require the consent of any other Lender. No Lender shall make any other loans to Borrower that are secured by the Development without the prior written consent of the other Lenders.

11. Escrows and Reserves. If the Authority collects payments from the Borrower to be escrowed for the payment of real estate taxes, assessments, insurance premiums, and like charges (the "Tax and Insurance Escrows") pursuant to the Authority Loan Documents, then the Authority covenants and agrees that the Tax and Insurance Escrows will be used to pay taxes, assessments, insurance and other like items at the time the same become due, and the Tax and Insurance Escrows shall not be used for any other purpose without the written consent of the City and County.

12. No Modification to or Approval of Loan Documents. This Agreement is not intended to modify and shall not be construed to modify any terms or provisions of the Lenders' Loan Documents, but, if there is a conflict or inconsistency between the terms of this Agreement and the terms of a Lender's Loan Documents, the terms of this Agreement shall control as between the Lenders. By executing this Agreement, a Lender is not approving the terms of any other Lender's Loan Documents, and, apart from Section 7, nothing in this Agreement limits the right

of a Lender or the Borrower to negotiate regarding the terms of the loan from that Lender. Each Lender has extended credit to the Borrower based on the Lender's own assessment of the creditworthiness of the Borrower, and no Lender has relied upon any other Lender or any information it may have provided in making its decision. Apart from specific information or notices that must be given to any other Lender under this Agreement, a Lender is not required to notify the other Lenders of its dealings with Borrower, Borrower's financial status, or any other information relating to Borrower or its loan to Borrower. By executing this Agreement, a Lender is not assuming any responsibility to oversee the Borrower's application of any advances made to the Borrower.

13. Further Assurances. So long as this Agreement is in effect, each Lender or any subsequent holder of each Lender's mortgage(s) (as the case may be) shall execute, acknowledge, and deliver upon reasonable demand of the other Lender any further documents or instruments for the purpose of confirming and effecting the subordination and the agreements set forth in this Agreement.

14. Estoppel Certificates. Within fifteen (15) days after receipt of written demand from another Lender, the Lender receiving the demand shall execute, acknowledge, and deliver to the requesting Lender a certificate stating the total amount of debt owed to the party and secured by the Development and whether to the Lender's knowledge a default exists under any of the Lender's Loan Documents or any condition exists, which with the giving of notice or passage of time, would result in a default. All such certificates shall be conclusive as to the matters stated in them and shall be binding upon the party giving the certificate. A Lender shall not be obligated to give such a certificate more frequently than once every six months.

15. Priority Retained. This Agreement is expressly limited in application to Lenders Loan Documents, and, notwithstanding the subordination and priorities between the parties set forth in this Agreement, the parties' priorities are retained as against all third parties and other instruments or liens as if this Agreement did not exist.

16. Benefit. This Agreement shall inure to the benefit of and be binding on the parties and their respective successors and assigns (including all subsequent holders of any note, security deed, assignment, or other instrument mentioned in this Agreement).

17. Term. The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (a) as to the right of the Authority, the repayment in full of the Authority Loan, (b) as to the right of the City, the repayment in full of the City ARPA Loan and City HOME Loan, (c) as to the right of the County, the repayment in full of the County Housing Funds and County Loan, or (d) the transfer of title to the Development either pursuant to a foreclosure of a mortgage recorded against the Development or a deed in-lieu-of foreclosure provided that in the event that any lender is paid in full and has no further obligation to disburse funds pursuant to the applicable Loan Documents, this Agreement shall terminate as to that Lender. If the proceeds of the construction or rehabilitation funds or any interest thereon are not fully disbursed prior to the termination of this Agreement, the Lender holding such funds shall return the remaining balance to the party or parties who deposited such balance promptly following such termination.

18. Amendments. A Lender shall not amend, modify, renew, or extend the provisions of its Loan Documents without the prior consent of the other Lenders.

19. Miscellaneous.

a. The Lenders acknowledge that, until such time as the Authority Loan is fully repaid, the Authority Loan Documents shall control the exercise of any rights under or arising out of claims against the payment and performance bonds provided by the Borrower (or Borrower's contractor) and the application of the proceeds of the bonds awarded as a result of said claims. The Authority acknowledges to the other Lenders that in the event of a default by the Borrower (or Borrower's contractor) and a failure to complete the construction of the Development, the Authority may use performance bond proceeds to ensure completion of the Development, or all or a portion of the work to rehabilitate the Development may be undertaken by the bonding surety. To the extent requested by the City or County, the Authority agrees to regularly consult with the City and the County regarding progress toward the completion of the Development.

b. The title and headings that appear in this Agreement have been included solely for ease of reference and shall not be considered in the interpretation or construction of this Agreement.

20. General.

a. Assignment/Successors. This Agreement shall be binding upon the parties hereto and the successors and assigns.

b. No Partnership or Joint Venture. Nothing in this Agreement shall constitute any of the parties as joint venturers or partners. No party hereto shall hold itself out as a partner, agent or affiliate of any other party hereto.

c. Amendment/Consent. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and no change, modification, addition, or termination of this Agreement shall be enforceable unless in writing and signed by or on behalf of all the parties hereto. Wherever a party's consent or approval is required by any provision such consent or approval may be granted or denied by such party in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

d. Additional Documents. The parties shall, at Borrower's cost, execute and deliver all additional documents reasonably required by any party in order to evidence the lien subordinations contemplated by this Agreement or to further evidence the intent of this Agreement.

e. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan and applicable federal law.

f. Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

g. The Lenders agree that, upon payment in full of their respective loans, such Lender shall release all mortgage interest in the Development pursuant to such Lender's Loan Documents and cause to be recorded and filed discharges and terminations of all its mortgage liens and security interests in the Development or the Borrower's property. Notwithstanding the forgoing, the Regulatory Agreement and LIHTC Regulatory Agreement shall remain and only be released as per the terms of those respective agreements.

h. This Agreement may be signed in several counterparts and all counterparts so executed shall constitute one agreement, binding on all parties hereto.

i. For purposes of draw approvals and handling disbursements, the following persons are authorized to disburse funds on behalf of each Lender:

Authority: _____________
____
____
____

City: _____________
____
____
____

County: _____________
____
____
____

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed this Agreement as of the date stated above.

BORROWER:

Zion Place 4 Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership

By: Legacy 4 GP, LLC,
a Michigan limited liability company,
Its: General Partner

By:_________________________________
Jason Muniz
Its: Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on __________________, 2025, by Jason Muniz, Manager of Legacy 4 GP, LLC, a Michigan limited liability company, the General Partner of Zion Place 4 Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership, on behalf of said partnership.

____
Print Name: _______________________________
Notary Public
State of Michigan, County of __________________
My commission expires: ______________________
Acting in the County of Kalamazoo

AUTHORITY:

MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

____
By: Clarence L. Stone, Jr.
Its: Chief Legal Affairs Officer

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

The foregoing Subordination and Intercreditor Agreement was acknowledged before me in Ingham County, Michigan, this ___ day of ____________, 2025, by Clarence L. Stone, Jr., as the Chief Legal Affairs Officer of the Michigan State Housing Development Authority, a public body corporate and politic of the state of Michigan, on behalf of the Authority.

____
Print Name: __________________________
Notary Public
State of Michigan, County of ________________
My commission expires: ___________________
Acting in the County of Ingham

CITY OF KALAMAZOO,
a Michigan municipal corporation,

By: ________________________________
Print Name:__________________________
Its:__________________________________

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on __________________, 2025, by ____________________________________, the _____________________ of the City of Kalamazoo, a municipal corporation, on behalf of the City of Kalamazoo.

____
Print Name: ________________________________
Notary Public
State of Michigan, County of __________________
My commission expires: ______________________
Acting in the County of Kalamazoo

KALAMAZOO COUNTY,
a municipality and political subdivision of
the State of Michigan

By:_________________________________
Print Name:___________________________
Its:_________________________________

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on __________________, 2025, by ________________________________, the _____________________________ of Kalamazoo County, a municipality and political subdivision of the State of Michigan, on behalf of Kalamazoo County.

____
Print Name: ______________________________
Notary Public
State of Michigan, County of __________________
My commission expires: ______________________
Acting in the County of Kalamazoo

DRAFTED BY AND WHEN RECORDED
PLEASE RETURN TO:

Charlotte Johnson, P82187
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY
735 E. Michigan Ave.
P.O. Box 30044
Lansing, Michigan 48909

EXHIBIT A

<u>Legal Description of the Development</u>

Unit 1 of The Legacy, according to the Master Deed as recorded in Kalamazoo County Records and any amendments thereto and designated as Kalamazoo County Subdivision Plan No. ______, together with rights in general common elements and limited common elements as set forth in the above Master Deed, and as described in Act 59 of the Public Acts of 1978, as amended.

EXHIBIT B

Development Proforma

(Attached hereto.)

EXHIBIT C

Disbursement Schedule

(Attached hereto.)

APPROVED AS TO FORM FOR THE CITY OF KALAMAZOO :
Office of the Kalamazoo City Attorney
By: Charles R. Bear
On: 3/28/2025