Agenda
Economic Development Corporation
Board of Directors

City of Kalamazoo

Thursday, August 20, 2026 7:45 AM

City Hall Community Room – 241 West South Street

A. CALL TO ORDER/ROLL CALL

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Approval of the Minutes from the Economic Development Corporation Board Meeting on June 18, 2026.

D. PUBLIC COMMENTS

E. DIRECTOR COMMENTS

F. NEW BUSINESS

1. 2027 Economic Development Corporation Draft Budget

2. Approval of a recommendation to the City Clerk's office for a 1-year renewal of the Adult Use Retailer permit for Nirvana Kalamazoo, LLC dba Nirvana Center Kalamazoo, contingent on the applicant correcting the zoning deficiencies by planting missing trees and shrubs in accordance with the site plan. If the applicant fails to correct the deficiencies by August 31, 2026, i.e. the applicant's current permit expiration date, then the result is a 90-day probationary renewal.

3. 1701 E. Vine Street Deed Issue

G. UNFINISHED BUSINESS

H. COMMUNICATIONS AND ANNOUNCEMENTS

I. STAFF REPORTS AND UPDATES

1. PR/Marketing Campaign Dashboard Results for First 30 Days. (South End of Kalamazoo)

2. EDC EIF Report Update

3. Social Equity Chamber Program Impact Summary: March - August 2026

J. ADJOURNMENT

CITY OF KALAMAZOO
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
Thursday, June,18 2026
City Hall Community Room
241 W. South Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Sharon Ferraro; Rachel Bair; Drew Duncan; Michael Gurnee; Scott Petersen; Kyle Gulau; Jason Novotny; Lucas Middleton, Andrew Schipper, T.J Ward

MEMBERS ABSENT: Sharon Ferraro, Eddie Warr

CITY STAFF PRESENT: Jamie McCarthy (Development Manager); Bobby Boyd (Economic Development Supervisor); Jared Chambers (Development Administrator); Ann Howard (Brownfield Project Assistant)

Meeting was called to order at 7:53AM by Director Middleton.

MOTION TO EXCUSE ABSENT MEMBERS

Director Gurnee moved to excuse absent members; seconded by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA

Director Gurnee moved to approve the agenda as presented; seconded by Director Bair. Motion approved by voice vote unanimously.

APPROVAL OF MINUTES

Director Bair moved to approve May 21, 2026, minutes as presented; Seconded by Director Gulau. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

DIRECTORS' COMMENTS

NEW BUSINESS

1. Approval of recommendation to the City Clerk's Office of a 2-year renewal of the Adult Use Retailer permit for Green Mountain Kzoo, LLC dba Puff Cannabis, located at 4305 Portage Rd.

Bobby Boyd stated that Green Mountain applications and inspections are good. Vice mayor Duncan asks, what happens to these funds when an owner decides to sell in the middle of the two years? Bobby Boyd will discuss with the legal team and report back on this inquiry in a future meeting.

Director Gurnee moved to approve recommendation to the City Clerk's Office of a 2-year renewal of the Adult Use Retailer permit for Green Mountain Kzoo, LLC dba Puff Cannabis, located at 4305 Portage Rd. Seconded by Director Gulau

A roll call vote was taken and the motion passed unanimously.

2. Approval of a recommendation to the City Clerk's Office of a 2-year renewal of the Adult Use Processor, Adult User Grower Class A, and Adult Use Retailer permits to Yuma Way MI, LLC dba Urban Gardens, located at 617 Portage St.

   Bobby Boyd said that this business has 5 full-time employees and 1 part-time employee and are up to date on inspections and application requirements.

   Director Ward moved to approve a recommendation to the City Clerk's Office of a 2-year renewal of the Adult Use Processor, Adult User Grower Class A, and Adult Use Retailer permits to Yuma Way MI, LLC dba Urban Gardens, located at 617 Portage St. Seconded by Director Gurnee

   A roll call vote was taken and the motion passed unanimously.

3. Economic Initiative Fund (EIF) Loan Request – Auld Ned's, LLC dba The Emerald Oak

   Bobby Boyd shared insight that this is a newer Irish Pub that is being opened in the Oakwood Plaza. He provided background that the owners are an Irish family that moved here 10 years ago and want to open and Irish pub. The EIF Loan is over 10% of the overall project costs. The amount they are asking for is $120,000. This EIF loan will help pay for project capital costs. Chair Gulau inquired about the fund balance. Bobby Boyd replied that there is approximately 1.1 million within the fund to use. Director Schipper asks What is the due diligence of the requestor's business plan that is being looked at to implement use of these funds? Bobby Boyd says that they look at the overall business plan, construction costs, performer capital specs. They look at what the overall economic benefits are, how many employees, experience and knowledge of the business. Director Peterson mentioned that from a lending perspective, the lender has outside income and isn't relying solely on the revenue from the pub to live on. Vice mayor Duncan asks how many employees are they planning to hire? Bobby Boyd replied with 8-12 full time and 12-20 part time. Director Gulau asks, is there any other debt on the project? Bobby Boyd said they are not aware of any other debt but will investigate this further and follow up.

   Director Novotny moved to approve Economic Initiative Fund (EIF) Loan Request for Ault Ned's, LLC dba The Emerald Oak; Seconded by Director Ward

   A roll call vote was taken and the motion passed unanimously.

4. EIF Loan discussion regarding correspondence with Attorney Wood.

Kalamazoo Candle Company has filed bankruptcy. They have a substantial EIF Loan with EDC. EDC is looking for guidance on how to address this issue. Attorney Wood was not present to review. The Board will need to revisit this with Attorney Woods later. Director Novotny mentions the personal guarantee but would like to discuss it with Attorney Woods to gain better clarity
Director Gulau asked about a timeline, specifically asking if there is a window of time to act or respond by?
Director Middleton asked, when did they file?"
Director Petersen asks which type of bankruptcy they are filing? Bobby Boyd said he believed that they filed chapter 11 bankruptcy.
Director Middleton provided perspective of seeing how the bankruptcy process plays out and where the priority falls in terms of secured claims and then deciding to peruse the personal guarantee. He also questioned if they are declaring a personal bankruptcy as well.
Director Gulau said that this is a learning opportunity to consider how to move forward with future loans.
Director Middleton said it is disappointing overall, and that he hopes they will restructure and continue to be valued business partners.

UNFINISHED BUSINESS

COMMUNICATIONS AND ANNOUNCEMENTS

Bobby Boyd said the first video series for the PR and Marketing campaign has come out and is being well received. He continues to work on putting together a dashboard. Reporting for the dashboard will be available after 30 days. Plans are to share the dashboard reporting at the next board meeting. The next video will come out towards the end of August, and this video will showcase the North side of Kalamazoo. They will continue to monitor how information is received from these videos.
Chair Gulau asked if this is related to the dashboard discussed in previous meetings. Bobby Boyd said yes, it is, and he went on to explain the dashboard is combined with other materials such as EIF loans, jobs, and other information.

STAFF REPORTS AND UPDATES

ADJOURNMENT: Meeting was adjourned at 8:12AM by Director Middleton

______________________	______________________	______________________
Signature	Printed Name/Chair	Ann Howard/Recording Clerk

Economic Development Corportaion (EDC)
244-728 Operational Proposed 2027 Budget

Revenues	2025 Actual	2026 Budget	2026 YTD	2027 Projections	2027 Notes
Application Fee Revenue	$15,000.00	$3,000.00	$0.00	$0.00	
Bond Issuance Fee	$40,000.00	$0.00	$0.00	$0.00	
Legal Services Recovery Fee	$3,500.00	$0.00	$0.00	$0.00	
Interest on Investments	$25,934.00	$0.00	$0.00	$0.00	
Total Revenue	**$84,434.00**	**$3,000.00**	**$0.00**	**$0.00**	

Expenses	2025 Actual	2026 Budget	2026 YTD (6/18/26)	2027 Projections	2025 Notes
Personnel and fringe benefits	$32,145.00	$0.00	$13,147.00		
Base Pay - Full Time - Exempt	$24,448.00	$22,120.00	$9,945.00	$0.00	Waiting for numbers from management services
Employer Social Security	$1,931.00	$1,693.00	$799.00	$0.00	Waiting for numbers from management services
Health Benefit Allocation	$3,195.00	$3,180.00	$1,381.00	$0.00	Waiting for numbers from management services
HSA Contribution	$135.00	$300.00	$0.00	$0.00	Waiting for numbers from management services
Dental Insurance	$17.00	$224.00	$95.00	$0.00	Waiting for numbers from management services
Group Life Insurance	$160.00	$57.00	$26.00	$0.00	Waiting for numbers from management services
Fringe Benefit Allocation	$512.00	$454.00	$214.00	$0.00	Waiting for numbers from management services
Workers Compensation	$695.00	$124.00	$256.00	$0.00	Waiting for numbers from management services
Deferred Compensation	$367.00	$332.00	$149.00	$0.00	Waiting for numbers from management services
Defined Retiree Health Contribution	$685.00	$650.00	$282.00	$0.00	Waiting for numbers from management services
Office Supplies and Forms	$0.00	$250.00	$55.00	$150.00	
Postage	$0.00	$50.00	$0.00	$50.00	
Professional and Contractual Services	$14,251.00	$23,000.00	$0.00	$23,000.00	
				$8,000.00	Salesforce support agreement
				$10,000.00	Community BRE and support meetings
Legal Services	$21,480.00	$30,000.00	$2,592.00	$30,000.00	
Legal Notices	$338.00	$0.00			
Other Operational	$0.00	$0.00	$0.00		
Memberships & Subscriptions	$0.00	$3,000.00	$0.00	$3,000.00	Group MEDA membership and IEDC memberships for board/staff
Professional Development	$0.00	$7,000.00	$0.00	$7,000.00	Professional development for board/staff
Administrative Fees	$7,248.00	$9,155.00	$4,578.00		Based on management services projection for 2026
Advertising	$10,000.00	$25,000.00	$26,213.00	$25,000.00	BRE & Attraction City-focused public relations strategy , SW MI FIRST buy local first business website $10k a year.
Rental/Lease Vehicular Equipment	$2,815.00	$3,000.00	$1,404.00	$3,000.00	Split car cost between BRA/EDC
TOTAL	$88,277	$129,589	$47,989		

Economic Development Corportaion (EDC)
244-735 Social Equity 2027 Budget

Revenues	Transferred in 2025	Transferred in 2026	Estimated Transfer in 2027	2027 Notes
25% Social Equity	$305,379.00	$298,665.00	$316,488.00	
Total Revenue	**$305,379.00**	**$298,665.00**	**$316,488.00**	

Expenses	2025 Actual	2026 Budget	2026 YTD (6/18/26)	2027 Projections	2025 Notes
Professional and Contractual Services	$300,000.00	$300,000.00	$135,750.00	$300,000.00	
TOTAL	$300,000	$300,000	$135,750		

MARIHUANA BUSINESS PERMIT RENEWAL APPLICATION

Pursuant to Chapter 20B of the Kalamazoo City Code

City of Kalamazoo
Office of the City Clerk
241 West South Street
Kalamazoo, MI 49007

(Please Print)

BUSINESS INFORMATION (The entity that is licensed by the state and that holds a City MMF permit)

Official Business Name Nirvana Kalamazoo, LLC
Business Address 401 N Sage Street
City Kalamazoo State MI Zip Code 49006 Business Phone 269.838.2733
Business E-mail johannastevens@omnuslaw.com; sarahs@nirvanacenter.com Business Website nirvanacenter.com

TYPE OF PERMIT BEING RENEWED

Medical

Grower:
- ☐ Class A (500 plants)
- ☐ Class B (1,000 plants)
- ☐ Class C (1,500 plants) No. of Class C Permits ______

- ☐ Processor
- ☐ Safety Compliance

- ☐ Provisioning Center
- ☐ Secure Transporter

Adult Use

Grower:
- ☐ Class A (100 plants)
- ☐ Class B (500 plants)
- ☐ Class C (2,000 plants) No. of Class C Permits ______
- ☐ Excess Grower

- ☐ Processor
- ☐ Safety Compliance
- ☐ Microbusiness

- ☒ Retailer
- ☐ Secure Transporter
- ☐ Designated Consumption Lounge

FACILITY INFORMATION

Property Address 401 N Sage Street, Kalamazoo, MI 49006
Real Property Parcel Number 06-18-304-002
Advertised Facility Name Nirvana Center Kalamazoo
Manager - Full Name Sheraz Warraich

CONTACT INFORMATION [the primary point(s) of contact for this application]

Name Sheraz Warraich
Address 8537 N Dry Creek Road City Prescott Valley State AZ Zip Code 86315
Phone 269.838.2733 E-mail johannastevens@omnuslaw.com

Name Johanna Stevens, Esq. Omnus Law
Address 299 South Main St, Ste 1300 City Salt Lake City State UT Zip Code 84111
Phone 2698382733 E-mail johannastevens@omnuslaw.com

Form Revised 07/2023

ATTACHMENTS

Please attach the following as separate documents to this application:

1. The attached Staffing Plan worksheet and any additional pages that provide a description of the actual number of employees, including the number and type of jobs that the licensed facility has created, and the amount and type of compensation (including benefits) paid for such jobs; and

2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the facility; the results of community outreach efforts; and worker training programs.

3. A social equity plan that: (a) promotes and encourages participation in the marihuana industry by local residents who have been disproportionately impacted by marihuana prohibition and enforcement; and (b) positively impacts local residents.

4. Documentation that indicates your business qualifies as a Silver Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency. **A marihuana business must meet this qualification to be eligible for permit renewal with the City of Kalamazoo.**

The City's Economic Development Corporation will use the information provided in these documents to evaluate the permit holder's compliance with the statements it provided with its initial application (specifically the representations made in Attachment G – Staffing Plan and Attachment H – Community Benefits Statement).

Please complete the following certifications:

- ■ The permitted facility is not in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.
- ■ The hiring and public accommodation practices of the permitted facility conforms to the City's anti-discrimination ordinance provisions.
- ■ I consent to an inspection of the permitted premises as required by ordinance to ensure the premises and its systems are in compliance with the requirements of Chapter 20B of the Kalamazoo City Code.
- ■ I understand that renewal of a City Operating Permit is contingent on the renewal of the State Operating License for this facility.

I hereby certify under the penalty of perjury that the statements made in this application, including all attachments thereto, are true. I further certify that I am an officer, director, or managerial employee of the applicant or a person who holds a direct or indirect ownership interest in the applicant.

Applicant Signature: Signed by: 421DD19DD1F7472... Date: 06/16/26

Name (printed): Sheraz Warraich Position: Member-manager

Form Revised 07/2023

STAFFING PLAN

Summary

Please indicate the number of employees who work at the licensed facility:

Full-time employees (32+ hours per week) 6______ Part-time employees (< 32 hours per week) 1______

Position Types and Compensation

Please provide a description of the types of jobs the licensed facility has created, along with the amount of compensation and benefits paid for such jobs:

Position Title: General Manager Annual Average Compensation $58,000
How many people are employed in this position at the licensed facility? 1
Are health insurance benefits available for employees in this position? Yes ______ No _______
If yes, please indicate the employer contribution to health insurance costs: All ____ Partial ____ None ____

Position Title: Assistant Manager Annual Average Compensation $55,000
How many people are employed in this position at the licensed facility? 1
Are health insurance benefits available for employees in this position? Yes ______ No _______
If yes, please indicate the employer contribution to health insurance costs: All ____ Partial ____ None ____

Position Title: Sales Floor Lead Annual Average Compensation $31,000
How many people are employed in this position at the licensed facility? 2
Are health insurance benefits available for employees in this position? Yes ______ No _______
If yes, please indicate the employer contribution to health insurance costs: All ____ Partial ____ None ____

Position Title: Support Staff Annual Average Compensation $26,000
How many people are employed in this position at the licensed facility? 3
Are health insurance benefits available for employees in this position? Yes ______ No _______
If yes, please indicate the employer contribution to health insurance costs: All ____ Partial ____ None ____

Position Title: ______________________ Annual Average Compensation $______________
How many people are employed in this position at the licensed facility? __________
Are health insurance benefits available for employees in this position? Yes ______ No _______
If yes, please indicate the employer contribution to health insurance costs: All ____ Partial ____ None ____

Please provide information on any benefits other than health insurance that are offered to all employees:
Short-term and long-term disability leave, parental leave, life insurance, vision, dental, along with health insurance provided to full-time employees (32+ hours).

Attach additional pages as necessary.

ECONOMIC BENEFITS

Please fill out the information below relating to Economic Benefits to the City and the job creation for local residents achieved by the business, results of efforts for community Outreach and worker training programs

ECONOMIC BENEFITS		
Economic Benefit	Description	Amount
Property Taxes	Winter and Summer 2025 property tax payments.	$18,440.95
MRTMA Revenue Share	City received MRTMA share per retailer in 2026	$54,000
Payment of living wages	Nirvana pays employees a minimum of $15.75 per hour	$15.75 - $27

JOB CREATION FOR LOCAL RESIDENTS		
Initiative/Description	Date(s)	Outcomes
No longer requires bachelors degree	May 2023 - present	More diverse workforce increased candidates for entry-level
Local job postings	May 2023 - present	As seen below, 6 employees are from Kalamazoo

COMMUNITY OUTREACH		
Initiative/Description	Date(s)	Outcomes
Food Drives	January 2023 - present	Food donations to the Westwood Foodbank
School supply drives	May 2023 - Present	Collected donations for local schools

WORKER TRAINING PROGRAMS		
Initiative/Description	Date(s)	Outcomes
Updated compliance training	May 2023- Present	General staff updated with revised regulations as they emerge
New Employee Training METRC & Regulations	May 2023 - Present	Increased compliance in operations, all training complete within first two weeks

SOCIAL EQUITY

Please fill out the information below relating to Social Equity with an explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents;

SOCIAL EQUITY PLAN INITIATIVE		
Initiative/Description	Date(s)	Outcomes
Removing preference for "Bachelor's Degrees" in hiring	May 2023- present	Reduces barriers to employment for disadvantaged communities.
Sales Promotion and Donation to Last Prisoner Project	Periodically throughout the year	Raise hundreds of dollars for LPP.

EMPLOYEE DEMOGRAPHIC INFORMATION

Total Number of Employees:		
Employees in Managerial Positions	Total Employees	2
	Number of Women	2
	Number of Minorities	1
Employees in Operational Positions:	Total Employees	7
	Number of Women	5
	Number of Minorities	6

How many City Residents do you currently employ?	Total Employees	6
How many residents do you currently employ from these Census Tracts?	Census Tract 1 (Eastside Neighborhood)	0
	Census Tracts 9 and/or 10 (Edison Neighborhood)	1
	Census Tracts 2.02, and/or 3 (Northside Neighborhood)	1

1. What is your plan to employ residents of the identified Census Tracts?

Nirvana plans to find more local job posting opportunities, and utilize the identified census tracts to target employment messaging specifically.

Attach additional pages as necessary.

2. How many of your employees have prior marihuana convictions or expungements (excepting a conviction for delivery or distribution to a minor)?

   Number of employees with marihuana convictions 0

3. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?

Nirvana specifically encourages those with prior marijuana convictions to apply in its job postings. Nirvana aims to increase the reach of its job postings to make them more accessible to a wider audience in the hopes of reaching those individuals.

Attach additional pages as necessary.

4. Please attach proof that the marihuana business has received recognition and maintains the status as a Silver Level Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency.

   Nirvana Kalamazoo received Gold Level Social Equity All-Star status. Approval letter attached.

GRETCHEN WHITMER
GOVERNOR

MARLON I. BROWN, DPA
DIRECTOR

June 8, 2026

Nirvana Kalamazoo, LLC (DBA: Nirvana Center)
24280 Sherwood Ave
Center Line, MI 48015

The Cannabis Regulatory Agency's social equity team reviewed your form for the Social Equity All-Star Program and would like to congratulate you on your acceptance into the program at the gold level. The following license numbers will be displayed on our website under the gold level. These license numbers were provided on your form:

- AU-R-000950

Now that you have been accepted into the Social Equity All-Star Program here are some important things to know:

- You are being awarded a digital copy of your Social Equity All-Star Program Gold seal. Feel free to use this seal on your website, social media, or in your licensed establishment(s) in any way that makes sense to highlight the establishment's efforts.
- Acceptance into this program is only valid for one year. In order to remain active in the program you will need to submit a Social Equity All-Star Program Renewal form each year you want to participate.
    - If at any time you would like to update your plans on the CRA website, you can email us your updated plan along with the Social Equity All-Star Program Amendment form.

If there are any questions regarding this acceptance letter, please contact the social equity team via email at CRA-SocialEquity@Michigan.gov.

Thank you,

Social Equity Representative
Cannabis Regulatory Agency
www.michigan.gov/CRA

City of Kalamazoo

INTER-OFFICE MEMO

To: The Economic Development Corporation Board of Directors

From: Erin Hahn, Business Specialist

Date: August 14, 2026

Re: Adult Use Retailer Permit Renewal for Nirvana Kalamazoo, LLC dba Nirvana Center Kalamazoo

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The City Clerk's Office has requested that the Economic Development Corporation (EDC) Board of Directors evaluate the *Marihuana Facility Permit Renewal Application* submitted by: Nirvana Kalamazoo, LLC dba Nirvana Center Kalamazoo for its facility at 401 N Sage St. and that the EDC Board provides a recommendation regarding the renewal of this permit. The City Operating Permit, issued on 9/1/2024, is scheduled to expire on 8/31/2026, and must be renewed before its expiration for the facility to continue operating. The applicant has submitted the required renewal application and the annual permit fee. Below is the ordinance language that describes the specific role and responsibilities of the EDC in this process:

§ 20B-12

C. In determining whether to grant a renewal of a permit, the members of the City's Economic Development Corporation board will evaluate the permit holder's compliance with the statements it provided with its initial application and submission with its request for renewal of the following information:

1. The Staffing plan for the business, which describes the actual number of employees, including the number and type of jobs that the facility has created, and the amount and type of compensation (including benefits) paid for such jobs.
    - 6 full-time employees and 1 part-time employee
        - 1 General Manager, earning $58,000/year
        - 1 Assistant Manager, earning $55,000/year
        - 2 Sales Floor Lead, earning $31,000/year
        - 3 Support Staff, earning $26,000/year
    - Short-term and long-term disability leave, parental leave, life insurance, vision, dental, and health insurance offered to all full-time employees.

2. An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents achieved by the business, results of efforts for community outreach and worker training programs.
    - $18,440.95 in Winter and Summer 2025 property tax payments.
    - $54,000 in MRTMA Revenue Share
    - $15.75 - $27 / hr in wages for local residents
    - Have hired 6 employees from the City of Kalamazoo as a result of local job postings
    - No longer require a Bachelor's Degree, resulting in more diversity to their

workforce and increased candidates for entry-level roles
- Food donations to the Westwood Food Bank – January 2023 – Present
- School supply donations for local schools – May 2023 – Present
- Updated compliance training
- New Employee Training METRC & Regulations

3. An explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents.
    - Removed preference for Bachelor's Degrees in hiring, reducing barriers to employment for disadvantaged communities (May 2023 – present)
    - Raises hundreds of dollars annually for Last Prisoner Project through sales promotion and donations.

4. A statement that the business is not in default to the City for any property tax, special assessment, utility charges, fines, fees, or other financial obligations owed to the City.
    - The business is in good standing.

5. A statement that the hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provisions and documentation of the total number of employees broken out by managerial and operational employees, number of women, and number of minority employees and number of employees disproportionately impacted by marihuana prohibition and enforcement.
    - The hiring and public accommodation practices of the facility conform to the City's Nondiscrimination Ordinance provision.
    - 2 employees in managerial positions; 2 are women, 1 is a minority
    - 7 employees in operational positions; 5 are women, 6 are minorities

6. A statement, with supporting documentation, providing answers to the following questions:
    a. How many City residents do you currently employ?
        - 6 city residents are currently employed.
    b. How many current employees reside in Census Tracts 1 (Eastside); 9, 10 (Edison), and/or 2.02,3 (Northside)?
        - 1 in the Edison neighborhood; 1 in the Northside neighborhood
    c. What is your plan to employ residents of the identified census tracts?
        - Nirvana plans to find more local job posting opportunities and utilize the identified census tracts to target employment messaging specifically.
    d. How many of your employees have prior marihuana convictions (excepting a conviction for delivery or distribution to a minor)?
        - 0
    e. What is your plan for employees with a prior marihuana conviction to move up within your business and/or the marihuana industry?
        - Nirvana specifically encourages those with prior marihuana convictions to apply in its job postings.

7. Proof that the marihuana business has received recognition and maintains the status as a Silver Level Social Equity All-Star or better with the Michigan Cannabis Regulatory Agency.
    - Gold level

Please see the attached Marihuana Renewal Application Checklist, completed by City staff to verify if all ordinance requirements have been met.

The applicant has no outstanding financial obligations to the City, and there have been no complaints to the City Manager regarding compliance with the City's anti-discrimination ordinance. The facility has not passed its City Fire & Zoning inspections. The applicant has not met all the requirements for renewal.

RECOMMENDATION
Staff recommends that the EDC Board recommend to the City Clerk's Office a 1-year approval of the Adult Use Retailer Permit to Nirvana Kalamazoo contingent on the applicant correcting the zoning deficiencies by planting missing trees and shrubs by no later than August 31, 2026. If the applicant fails to correct the zoning deficiencies by this date, then the result is a 90-day probationary renewal.

ATTACHMENTS
Renewal Application, (Staffing Plan), (Community Benefits Statement), and (Social Equity Plan) from the applicant.

Iw

RECEIVED

2014 JUL 16 PM 12: 13

COUNTY OF KALAMAZOO

2014-022987 07/16/2014 01:42:53 PM
Pages: 1 of 1 DGL
KALAMAZOO CITY CLERK
Timothy A. Snow County Clerk/Register Kalamazoo County, MI

DISCHARGE AND RELEASE OF LIEN

The Economic Development Corporation of the City of Kalamazoo (EDC), a Michigan public body corporate, whose address is 241 West South Street, Kalamazoo, Michigan 49007, declares that a certain lien (fixture filing) recorded March 26, 1981, at Liber 1116, Pages 557-559 and re-recorded at Liber 1119, Pages 634-636, Kalamazoo County Records, and based on the issuance of certain limited obligation revenue bonds by EDC to LLS & B, is fully paid, satisfied and discharged.

The property covered by this discharge and release is commonly known as 1701 East Vine Street, Kalamazoo, MI. 49001 and more fully described as:

> A parcel of land in the Northeast 1/4, Section 23, Town 2 South, Range 11 West, and beginning at the Southwest corner of Lot 312, Plat of Riverside as recorded at Book 5 of Plats, Pages 24-25, Kalamazoo County Records; thence North 1°02'00" West 152 feet along the east line of Upjohn Avenue; thence East 244.50 feet parallel with the north line of Vine Street to the westerly line of the Grand Trunk and Western Railroad; thence South 0°19'30" East 151.97 feet along said west line to the north line of Vine Street; thence West 242.52 feet along said north line to the point of beginning. (containing approximately 0.846 acres of land.)

Dated: July 14, 2014

The Economic Development Corporation
of the City of Kalamazoo

By: Jerome R. Kisscorni
Its: Executive Director

ACKNOWLEDGMENT

COUNTY OF KALAMAZOO)
)
STATE OF MICHIGAN)

The foregoing instrument was acknowledged before me on July 14, 2014 by Jerome R. Kisscorni, Executive Director for and on behalf of The Economic Development Corporation of the City of Kalamazoo.

Notary Public
Kalamazoo County, Michigan
My commission expires: 10/12/2019

Prepared By and After Recorded Return to:
John W. Kneas (P26112)
Assistant City Attorney
241 W. South St.
Kalamazoo, MI 49007
(269) 337-8185

K:attydocs\JOHN\EDC Peerless Water Softener - Lien Discharge (LLS&B)
07/14/14

Title Issue for 1701 E. Vine Street (Peerless Water Treatment)

Background

- In 1981, the Economic Development Corporation of the City of Kalamazoo (EDC) entered into a Lease Purchase Agreement with LLS & B, connected to a loan backed by EDC-issued limited obligation revenue bonds.
- As part of that arrangement, the property at 1701 E. Vine Street was deeded to the Kalamazoo EDC.
- In 2014, the EDC formally discharged and released the fixture lien associated with that loan, confirming all financial obligations were fully paid.
  - The official recorded document from the Kalamazoo County Register of Deeds clearly states the lien was "fully paid, satisfied and discharged."

Current Issue

- While the lien discharge is on record, no documentation can be found showing that the EDC deeded the property back to LLS & B after the loan was paid off.
- Chicago Title, working on behalf of the current property owner (Peerless Water Treatment), has identified this missing deed as a cloud on the title.
- The Developer is requesting that the EDC complete the legal process of transferring the property back to resolve the title issue.

Legal Guidance

- The City Attorney has reviewed the matter and confirmed:
  - This is solely an EDC issue.
  - The City of Kalamazoo is not involved in the deed transfer.
  - The 2014 discharge document verifies all obligations have been met, and therefore the EDC can proceed with issuing a deed returning ownership to LLS & B (or its successor, if appropriate).

Requested Board Action

- Authorize the EDC to execute a deed transferring 1701 E. Vine Street back to the rightful owner to clear title.

- No outstanding obligations remain; the action is administrative and corrective in nature.

Attachments Provided

- Discharge and Release of Lien (Recorded July 16, 2014) from Kalamazoo County Register of Deeds.

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Draft of 3/4/81

LEASE PURCHASE CONTRACT

The Economic Development Corporation
of the City of Kalamazoo

and

LLS & B

Relating to:

$160,000
The Economic Development Corporation
of the City of Kalamazoo
Economic Development Limited Obligation Revenue Bond
(LLS & B Project)

Dated as of April 1, 1981

46054-29 B949b 3/11/81

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LEASE PURCHASE CONTRACT

THIS LEASE PURCHASE CONTRACT (the "Contract"), made and entered into as of April 1, 1981, by and between The Economic Development Corporation of the City of Kalamazoo, a Michigan public body corporate (the "Issuer"), and LLS & B, a Michigan partnership (the "Company"),

WITNESSETH:

WHEREAS, the Issuer is authorized by Act No. 338 to acquire industrial and commercial buildings and structures and sites and machinery and equipment therefor, and to issue revenue bonds payable solely from the net revenues derived from the project acquired through the issuance of such bonds; and

WHEREAS, pursuant to and in accordance with the provisions of Act No. 338, the Issuer proposes to acquire the Project and lease the same to the Company, all pursuant to the Contract;.and

WHEREAS, the Issuer proposes to finance the cost of acquiring the Project by the issuance of bonds to be paid solely from the net revenues to be derived by the Issuer under the Contract and from the Project, and neither said bonds nor the interest thereon shall ever constitute a general obligation of the Issuer within the meaning of any constitutional or statutory or charter provision or limitation; and

WHEREAS, it has been determined that the estimated amount necessary to finance the acquisition of the Project, including necessary expenses incidental thereto and to the issuance of the Bond (i.e., the Cost of the Project), will require issuance, sale and delivery of the Bond in the principal amount of $160,000 which Bond is to be secured in the manner and under the terms and conditions set forth in the Indenture; and

WHEREAS, the acquisition and leasing of the Project and the issuance of the Bond, as herein recited and provided, will serve the intended accomplishments and in all respects conform to the provisions and requirements of Act No. 338; and

WHEREAS, the execution and delivery of the Contract under Act No. 338 has been in all respects duly and validly authorized by the Issuer's Board of Directors;

NOW, THEREFORE, in consideration of the premises and of the covenants and undertakings herein expressed, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words and terms elsewhere defined in the Contract and in the Indenture, the following words and terms as used in the Contract and the preambles hereto shall have the following meanings unless the context or use indicates another or different meaning or intent.

"Act No. 338" means Act No. 338, Public Acts of Michigan, 1974, as amended.

"Bond" or "Bonds" means the $160,000 principal amount of The Economic Development Corporation of the City of Kalamazoo Economic Development Limited Obligation Revenue Bond (LLS & B Project), authorized to be issued under the Indenture.

"Company" means LLS & B, a Michigan partnership, or its successors and assigns.

"Completion Certificate" means the certificate provided for in Section 3.5 hereof and in the form of Exhibit D attached hereto.

"Completion Date" means the date of completion of acquisition, construction and equipping of the Project as that date shall be certified as provided in Section 3.5.

"Construction Period" means the period between the beginning of construction or the date on which Bond is first delivered to the purchaser thereof (whichever is earlier) and the Completion Date.

"Contract" means this Lease Purchase Contract as the same may be amended as provided herein and in the Indenture.

"Cost of the Project" shall be deemed to include (a) obligations of the Issuer or the Company incurred for labor and to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of acquiring necessary land or rights in land and any costs incidental thereto, including costs of assuring title of the Company and the Issuer to the Project, and recording fees; (c) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (d) the expenses of the Issuer and the Company for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (e) legal, accounting, financial and printing expenses and fees, compensation and expenses of the Depository and the Company and all other expenses incurred in connection with the acquisition of the Project and the issuance of the Bond; (f) all other costs which the Issuer or the Company shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project, including costs of railroad connections, whether or not the trackage involved is owned by the Company; and (g) any sums required to reimburse the Issuer or the Company for advances made by either of them for any of the above items, or for any other costs incurred and for work done by either of them (including overhead charges) which are properly chargeable to the Project.

"Counsel" means an attorney-at-law (who may be counsel to or of the Issuer or the Company) satisfactory to the Bondholder.

"Engineer" means a professional engineer or engineering firm registered pursuant to the laws of the State of Michigan (who may be in the employ of the Company or chosen by the Company) and acceptable to the Bondholder and the Issuer.

"Guarantee" means the two Guarantee Agreements between the respective Guarantors and the Secured Party of even date herewith as the same may be amended in accordance with their terms.

"Guarantor" or "Guarantors" means Peerless Water Softener Company and Raymond W. Leversee, Michael D. Leversee, Howard W. Smith and Donald J. Bierens.

"Improvements to the Project" means such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes as the Company may deem necessary or desirable in, on or to the Project.

"Indenture" means the Mortgage and Indenture between the Issuer and The American National Bank and Trust Company of Michigan, Kalamazoo, Michigan, as Secured Party, Bondholder and Depository of even date herewith as the same may be amended or supplemented in accordance with its terms.

"Interest Payment Date" means any of the dates required under the Indenture for payment of interest or interest and principal on the Bond, i.e., the first day of each month of each year until the Bond is paid, in accordance with the Indenture, the first Interest Payment Date being May 1, 1981.

"Permitted Encumbrances" means and includes, subject to the approval of the Bondholder (i) liens for taxes or assessments or governmental charges or levies not yet due or delinquent, or which can thereafter be paid without penalty, or which are being contested in good faith in accordance with Section 5.1; (ii) unfiled inchoate mechanics' and materialmen's liens for construction work in progress; (iii) workmen's, repairmen's, warehousemen's and carriers' liens and other similar liens, if any, arising in the ordinary course of business; (iv) all of the following, if they do not in the opinion of Counsel individually or in the aggregate materially impair the use of the Project or materially detract from the value thereof to the occupant of the Project, viz: -- any easements, restrictions, mineral, oil, gas and mining rights and reservations, zoning laws and defects in title; (v) any lien for the satisfaction and discharge of which a sum of money deemed adequate by the Depository is on deposit with the Depository; (vi) liens created by or resulting from any litigation or other proceedings, including liens arising out of judgments or awards against the Company with respect to which the Company are in good faith prosecuting an appeal or proceeding for review; (vii) other liens of a nature comparable to those described in clauses (i) through (vi) above which do not, in the opinion of Counsel, materially impair the use of the Project or materially detract from the value thereof; (viii) the rights of the Issuer and the security interest in the Project created under the Contract; (ix) the rights of the Bondholder created under the Indenture; and (x) any lien, encumbrance or charge which is subordinate in all respects to the interest of the Issuer and the Bondholder.

"Plans" means the plans and specifications for the Project certified by the Authorized Company Representative and on file at the principal office of the Company, as the same may be revised from time to time in accordance with Section 3.4.

"Project" shall mean the industrial building, the site therefor, and furnishings and equipment to be installed in connection with said buildings, as set forth in Exhibits A and B attached hereto, including such modifications thereof, substitutions therefor, and Improvements to the Project, and excluding deletions therefrom as shall be made in accordance with the Contract, but not including the Company's own furnishings and equipment installed under Section 6.3 of the Contract.

"Requisition Certificate" means the certificate required by Section 3.3 hereof in the form of Exhibit C hereto.

"Secured Party", "Bondholder" and "Depository" means The American National Bank and Trust Company of Michigan.

ARTICLE II

ISSUANCE OF BOND

Section 2.1 The Bond. The Issuer has on or before the execution of the Contract entered into a Bond Purchase Agreement for the sale of the Bond (which Bond Purchase Agreement has been approved by the Company) and shall, subject to the terms of said Bond Purchase Agreement, issue, sell and deliver the Bond in order to finance the Cost of the Project. The proceeds of the Bond shall be deposited with the Depository as provided in the Indenture.

Section 2.2 Bond Prepayment. The Issuer at the request of the Company shall forthwith take all steps as may be necessary under the Indenture to effect the earliest possible prepayment of all or part of the Bond as may be specified by the Company.

Section 2.3 Investment of Acquisition Fund and Bond Fund. Any moneys held as a part of the Acquisition Fund or the Bond Fund shall, at the written request of the Company, with and only with the written consent and approval of the Depository, be invested, reinvested or applied by the Depository in accordance with and subject to the conditions of Section 701 of the Indenture.

ARTICLE III

ACQUISITION AND COMPLETION OF PROJECT

Section 3.1 Sale and Conveyance of Project to Issuer; Grant of Security Interest in Project to Issuer. The Company shall convey and the Issuer shall acquire the Project, free, clear and discharged of all liens, charges and encumbrances, except Permitted Encumbrances, for the price, the amount and the manner of payment of which is provided in Section 3.2. Effective upon the sale and delivery of the Bond the Company shall execute and deliver to the Issuer a warranty deed and a bill of sale conveying and vesting in the Issuer at that time title to that portion of the Project which has been theretofore acquired, constructed, installed or put in place by the Company and conveying and vesting in the Issuer title to those portions of the Project to be acquired, constructed, installed or put in place by the Company subsequent to the sale and delivery of the Bond as the same are acquired, constructed, installed or put in place.

The Company shall deliver with the warranty deed two title insurance policies, issued by a generally recognized title insurance company, acceptable to the Issuer and the Bondholder, each in an amount of at least $160,000, subject only to Permitted Encumbrances insuring (1) the interest of the Issuer as owner of the Project and (2) the Bondholder as mortgagee of the Project, without standard exceptions. (Any proceeds ever resulting from said title insurance policies shall be deposited in the Bond Fund).

The Company, in addition to conveyance of title to the Project, hereby grants to the Issuer a security interest in any personal property and fixtures comprising the Project. Such security interest shall continue in full force and effect until the Bond has been fully paid.

Contemporaneously with the delivery of the Contract the Issuer shall mortgage the Mortgaged Property (as that term is defined in the Indenture) to the Bondholder under the Indenture as security for the payment of the Bond, subject to the Contract all as provided in the Indenture, and shall assign its rights in, and pledge any moneys receivable under, the Contract, other than administrative costs, taxes and other governmental charges and indemnity and insurance payments to be paid to the Issuer and parties related to the Issuer under Article V of this Contract, if any, to the Bondholder as security for the payment of the principal of and the interest on the Bond; provided, however, that the Issuer and parties related to the Issuer shall reserve the right to enforce in its or their own name and for its or their own benefit, the obligations of the Company to the Issuer and parties related to the Issuer under Article V hereof. The Company acknowledges they have been furnished an executed counterpart of the Indenture. The Issuer will not amend the Indenture without the prior written consent of the Company; provided, however, that such consent shall not be unreasonably withheld and that it is understood by the Company that the Indenture will be terminated and released if for any reason the Bond is not issued, sold and delivered.

From time to time during the Construction Period the Company will execute and deliver to the Issuer such deeds, bills of sale or other instruments of transfer as may be necessary to vest title to the completed Project in the Issuer, subject only to Permitted Encumbrances. The Company agrees to file or cause to be filed such financing statements, and to record or cause to be recorded such documents, as may be necessary or desirable to perfect, preserve and protect all interests of the Issuer in the Project and all rights and interest of the Secured Party in, to and under the Contract and in and to all income and revenues derived from the Project by reason of the assignment contemplated by this Section 3.1.

Section 3.2 Price and Manner of Payment by Issuer for Project. The Issuer shall pay to the Company as the purchase price for the Project the Cost of the Project or the moneys in the Acquisition Fund, whichever is lesser.

Section 3.3 Disbursements from Acquisition Fund. So long as no Event of Default has occurred and is continuing, the Issuer in the Indenture has authorized the Secured Party to make payments from the Acquisition Fund to pay the Cost of the Project, in accordance with the terms of this Contract. Upon receipt of a certificate of requisition signed by the Authorized Company Representative (with a copy to the Issuer) in substantially the form attached hereto as Exhibit C and appropriate Bills of Sale with respect to each payment to be made, and endorsements to the title policy applicable to the Project in an amount equal to the amount of payment requested, the Secured Party is authorized, so long as no Event of Default has occurred and is continuing, to make payments from the Acquisition Fund to pay the cost of machinery, equipment and other personal property that is a Cost of the Project.

The Company shall provide the Secured Party with a Bill of Sale from each manufacturer or supplier of machinery, equipment and other personal property that is a cost of the project prior to each disbursement from the Acquisition Fund for the cost of such items.

As a condition precedent to making any disbursement, which disbursement shall not be more often than every thirty (30) days, the Company shall provide the Secured Party with sworn statements and waivers of lien (satisfactory in form and substance to the Secured Party) by contractors, subcontractors and for materialmen on the Project, and shall provide (i) an itemization of the Cost of the Project in sufficient detail to evidence the incurring of such Cost for the payment of which application has or is then being made, (ii) an Architect's certificate satisfactory in form and substance to the Secured Party, (iii) at the title insurance company's request a reissued survey showing the placement of all improvements and easements, and (iv) other information required by the title insurance company as a condition precedent to the issuance of an endorsement to the policy of title insurance applicable to the Project.

The Company shall permit the Secured Party, upon reasonable request, to audit the records of the Company relating to the Cost of the Project. In the event a public audit shall be required hereunder, the selection of said public auditor shall be mutually satisfactory to the Company and Secured Party.

The Company shall upon the request of the Secured Party furnish the Secured Party with one or more resurveys of the Project in order to establish the absence of encroachments or overhangs.

Section 3.4 Obligation of Company to Complete the Project. Using, to the extent sufficient therefor the net proceeds derived from the issuance and sale of the Bond, investment income on the Bond proceeds, and additional funds, if any, provided by the Company, the Company shall promptly complete the Project substantially in accordance with the Plans. The Company shall make available to the Issuer, and/or Bondholder, a copy of the Plans or such other information concerning the Project as the Issuer and/or the Bondholder may reasonably request. The Company may revise the Plans; provided, however, that the Project as modified shall not be materially altered in scope, character, value or operation without the prior written consent of the Issuer and the Bondholder, and the expenditure of moneys for the Project as modified is permitted by Act No. 338 and will not impair the exemption of interest on the Bond from Federal income taxation. Upon request of the Issuer or Bondholder the Company will supply them with all revisions of the Plans and opinions of the Engineer and Counsel that such revisions conform with the requirements of this Section.

The Issuer makes no warranty, either express or implied, and offers no assurances that the proceeds derived from the sale of the Bond will be sufficient to pay the entire Cost of the Project, and the Issuer shall not be liable to the Company if for any reason the Project is not completed. In the event moneys in the Acquisition Fund are insufficient to pay the entire Cost of the Project, the Company shall complete the Project and pay the Cost of the Project in excess of the sums of moneys available in the Acquisition Fund. The Company shall not, by reason of the payment of any such portion of the Cost of the Project, be entitled to any reimbursement from the Issuer or the Bondholder in respect thereof or to any diminution or abatement in the rent payable under the Contract. If the Project is not completed, the Company shall be obligated to pay all rent required to be paid pursuant to Section 4.5 of the Contract and shall be responsible for all other obligations imposed by the terms hereof upon the Company, it being the intention that all risk of failure to complete the Project shall be assumed by the Company and not the Issuer.

Section 3.5 Certificate as to Completion. The Completion Date of the Project and the payment of the entire Cost of the Project shall be evidenced to the Depository and the Issuer by a Completion Certificate signed by the Authorized Company Representative substantially in the form attached hereto as Exhibit D.

Section 3.6 Use of Surplus Bond Proceeds. As provided in the Indenture, "Surplus Bond Proceeds," shall be retained in the Acquisition Fund or deposited in the Bond Fund as the Company shall in writing direct the Depository, and advice of such action shall be given the Issuer by the Depository. Surplus Bond Proceeds deposited in the Bond Fund and the income and profit derived therefrom may be used for payment of principal of the Bond, for payment of interest on the Bond, but only interest accruing for up to and not more than six months after the Completion Date or for prepayment of Bond prior to maturity as permitted by the Indenture. Surplus Bond Proceeds deposited in the Acquisition Fund and the income and profit derived therefrom may be used, so long as no Event of Default has occurred and is continuing, as the Company may direct the Depository in writing for payment of part or all of the cost of constructing Improvements to the Project or in the event of condemnation or destruction of the Project restoring the Project; provided, however that such Improvements or restoration shall only be permitted with the prior approval of the Bondholder and further the Bondholder shall be furnished with an opinion of Counsel that the expenditure of moneys for such Improvements or restoration is permitted by Act No. 338 and will not impair the exemption of interest on the Bond from Federal income taxation.

In the event the Cost of Improvements to the Project or restoration of the Project exceeds the amount in the Acquisition Fund, the Company shall pay the difference from their own funds.

Section 3.7 Company Recovery Under Breach of Warranty. In the event of default of any contractor or subcontractor or supplier under any contract or agreement made by it in connection with the Project or in the event of a breach of warranty with respect to any materials, workmanship or performance or other guaranty, the Company may proceed, either separately or in conjunction with others, to pursue such remedies against the contractor, subcontractor, supplier or other party so in default and against each surety for the performance of such contract or agreement as it may deem advisable. After notification to the Issuer, the Company may prosecute any action or proceeding or take any other action involving such contractor, subcontractor, materialman or other party or surety which the Company deems reasonably necessary, and in such event the Issuer will cooperate fully with the Company. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid into the Acquisition Fund for the Cost of the Project or, if recovered after the Completion Date and the Cost of the Project has been paid or duly provided for, shall be paid into the Bond Fund or the Acquisition Fund as the Company shall direct.

ARTICLE IV

LEASE OF PROJECT, TERM, USE, RISKS AS TO TITLE AND CONDITION, POSSESSION, QUIET ENJOYMENT, RENTALS, ADVANCES

Section 4.1 Lease of Project, Term. The Issuer does hereby lease and rent to the Company, and the Company does hereby lease and rent from the Issuer, the Project, in accordance with the provisions of the Contract. The Contract shall become effective upon delivery of the Bond and the Contract shall continue in full force and effect until the Bond has been fully paid (or provision made therefor) in accordance with the Indenture and all payments owing to the Issuer or owing to the Bondholder hereunder have been made.

Section 4.2 Use of Project. The Company intends to use, occupy or sublease the Project during the terms of the Contract principally for industrial purposes as determined from time to time by the Company. The Company does not know of any reason why the Project will not be so used, occupied or subleased by it in the absence of supervening circumstances not now anticipated by it or beyond its control. Notwithstanding the foregoing, the Company shall have the right to use the Project during the term of the Contract for any lawful purpose which will not affect the validity of the Bond or impair the exemption of interest on the Bond from Federal income taxation. The failure of the Company to use and occupy the Project for its intended purposes shall not in any way abate or reduce the rent payable by the Company to the Issuer under the provisions of the Contract, and shall not be deemed a Default under the Contract in any respect as long as such use does not affect the validity of the Bond or impair the exemption of interest on the Bond from Federal income taxation.

Section 4.3 Company's Risk as to Title and Condition. The Company is familiar with the existing state of the title of the Project and lease the Project subject to all matters and conditions affecting the same. The Company accepts the Project in its condition on the date hereof and as the same is acquired and constructed and assumes all risks, if any, resulting from any present or future, latent or patent defects therein, or from the failure of the Project to comply with all legal requirements applicable thereto. The Company acknowledges that the Issuer has made no representations as to the state of title or condition of the Project or its suitability for the Company's purposes.

Section 4.4 Possession; Quiet Enjoyment. The Company is in possession of the portion of the Project heretofore acquired by it and conveyed to the Issuer pursuant to Section 3.1, and shall have sole and exclusive possession of the Project as it is completed and during the term of the Contract, subject only to such possession by the Issuer of the Project as shall be necessary and convenient for it to undertake its obligations and exercise its rights pursuant to the Contract.

The Issuer covenants that so long as the Company shall promptly pay the rent and all other sums payable by it under the Contract and shall duly and promptly perform and observe all the terms, conditions and agreements herein contained obligatory upon it, the Issuers shall not hinder the right of the Company to have and enjoy during the term hereof quiet and undisputed possession of the Project.

Section 4.5 Rent. During the term of the Contract the Company agrees to pay directly to the Depository for the account of the Issuer to be deposited in the Bond Fund as rent in immediately available funds at least three (3) business days prior to each Interest

Payment Date and on the date of any acceleration of payments on the Bond (commencing with the first Interest Payment Date) and continuing thereafter until the principal of and interest on the Bond shall have been fully paid a sum sufficient to meet the amount payable on such date as principal (whether at maturity or by prepayment or acceleration as provided in the Indenture, by declaration or otherwise) and interest upon the Bond as provided in the Indenture. Any moneys on deposit in the Bond Fund on any rental payment date in excess of the amount required for payment of principal of and premium (if any) on the Bond theretofore matured or called for prepayment and past-due interest shall be credited to the Company's rental payment then due.

ARTICLE V

TAXES AND OTHER CHARGES, ADMINISTRATIVE FEES AND COSTS, INDEMNIFICATION, INSURANCE

Section 5.1 Taxes and Other Charges. The Company shall pay, in addition to the rent required to be paid pursuant to Section 4.5, as the same become due and payable, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Issuer or the Company is or shall become liable by reason of their estate or interest in the Project or any portion thereof, by reason of any right or interest of the Issuer or the Company in or under the Contract, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any part thereof. The Company shall also pay and discharge, in addition to the rent required to be paid pursuant to Section 4.5, promptly as the same shall become due and payable, all lawful taxes, assessments, whether general or special, and governmental charges of any kind whatsoever, and all applicable interest and penalties thereof, if any, which at any time during the term of the Contract shall be or become due and payable by the Issuer or the Company and which shall be lawfully levied, assessed or imposed:

(i) Upon or with respect to, or shall be or become liens upon, the Project or any portion thereof or any interest of the Issuer or the Company therein or under the Contract;

(ii) Upon or with respect to income or profits of the Issuer from the Project or under the Contract;

(iii) Upon or with respect to the possession, operation, management, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, or

(iv) Upon this transaction or any document to which the Issuer or Company are parties creating or transferring an interest or an estate in the Project;

by any governmental authority, whether federal, state, county, city, municipal, school or otherwise, provided, that special assessments or other governmental charges may be paid in installments over a period of years if permitted by such governmental authority.

The Company may in good faith contest any such tax, assessment or charge levied by any governmental authority, and in such event may permit such tax, assessment or charge to remain unsatisfied during the period of such contest and any appeal therefrom unless or until in the opinion of Counsel by such action the title of the Issuer to any material part of the Project shall be materially endangered or the Project or any material part thereof shall become subject to imminent loss or forfeiture, in which event such tax, assessment or charge shall be promptly paid. It is the intention of the parties hereto that, insofar as the same may be lawfully done, the Issuer shall be free from all costs, expenses and obligations and all such taxes, assessments and all such other governmental charges, and the Contract shall be deemed to be a "net contract" and the Company shall pay net the rents and other payments required hereunder throughout the term of the Contract.

The Company shall, at its sole cost and expense, procure or cause to be procured any and all necessary building permits, other permits, licenses and other authorizations required for the lawful and proper construction, use, occupation, operation and management of the Project. The Company also agrees to pay or cause to be paid all lawful charges for gas, water, sewer, electricity, light, heat, power, telephone and other utility and service used, rendered or supplied to, upon or in connection with the Project. The Issuer shall not be required to furnish free of charge to the Company or any other occupant of the Project, pursuant to the terms of the Contract, any gas, water, sewer, electricity, light, heat, power or other facilities, equipment, labor, materials or services of any kind, except as otherwise may be required by law or except as the same shall generally be furnished without charge to other owners or users of comparable property within the City of Kalamazoo, Michigan.

Whenever the imposition of a tax, assessment or governmental charge requires the approval, consent, petition or waiver of the property owner, the Issuer will not approve, consent, petition or waive in connection therewith without the written approval of the Company.

The Company shall furnish to the Issuer promptly upon request proof of the payment of any such tax, assessment or other governmental or similar charge, or any utility charge which is payable by the Company as set forth above.

Section 5.2 Administrative Fees and Costs. The Company shall pay reasonable compensation to the Depository under the Indenture for its services as depository and paying agent together with all reasonable counsel fees, taxes and other expenses necessarily incurred by the Depository in performing its duties under the Indenture. All such payments shall be made directly to the Depository as statements are rendered, except to the extent expenses of the Depository incurred in connection with the issuance of the Bond are paid from proceeds of sale of the Bond. The Company shall pay out-of-pocket costs of the Issuer properly allocable to its performance of duties under the Contract and the Indenture.

Section 5.3 Indemnification. The Company shall indemnify and hold harmless the Depository against any loss, liability or expense incurred without negligence or bad faith on the part of the Depository, its employees, agents or representatives, arising out of or in connection with the acceptance and performance of its duties under the Indenture, including the costs and expenses of defense against any such claim of liability.

The Company shall indemnify and hold the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents and the City of Kalamazoo, Michigan (hereinafter referred to as the "Indemnified Parties") harmless of, from and against, any and all claims, damages, demands, expenses, liabilities, losses and taxes (of any character or nature whatsoever regardless of by whom imposed), and losses of every conceivable kind, character and nature whatsoever (including, but not limited to, claims for loss or damage to any property or injury to or death of any person) asserted by or on behalf of any person, firm, corporation or governmental authority arising out of, resulting from, or in any way connected with (i) the Project, or the condition, occupancy, use, possession, conduct or management of, or any work done in or about, the Project, or from the planning, design, acquisition or construction of the Project or any part thereof, or from the leasing or subletting of the Project or any part thereof, (ii) any act or failure to act by any issuer,underwriter, broker, dealer or other person, firm, corporation or governmental authority, including the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents, in connection with the offering, sale or delivery of the Bonds or any instrument or agreement collateral thereto, either before or after the date hereof and (iii) any act or failure to act, or any covenant, undertaking, warranty or representation, by the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents in connection with, or in the preformance of any obligation under the Contract or the Indenture. It is the intent of the parties that the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents and the City of Kalamazoo be held harmless by the Company from liability from such claims, actions, damages, demands, expenses, liabilities, losses and taxes however caused or however arising including, but not limited to, to the extent not prohibited by law, such claims, actions, damages, demands, expenses, liabilities, losses and taxes even though caused, occasioned or contributed to by the negligence, sole or concurrent, of the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo or by negligence for which the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo or by negligence for which the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo may be held liable. The Company also covenants and agrees, at its expense, to pay, and to indemnify and save the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents and the City of Kalamazoo harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilites incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo by reason of any such claim or demand, the Company upon notice from the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo or any one of them, covenants to resist and defend such action or proceeding on behalf of the Issuer and the Board of Directors of the Issuer and its employees, representatives and agents or the City of Kalamazoo or any or all of them as the case may require.

The Company also covenants and agrees, at its expense, to pay, and to indemnify the Indemnified Parties of, from and against, all costs, expenses and charges, including reasonable counsel fees, lawfully incurred in obtaining possession of the Project upon an Event of Default by the Company, or in enforcing any covenant or agreement of the Company contained in the Contract.

Notwithstanding the foregoing, nothing contained in this section shall be construed to indemnify or release the Indemnified Parties from any liability which they would otherwise have had arising from the wrongful or negligent actions or failure to act on the part of the Indemnified Parties acting in other capacities than as contemplated by the Contract.

Section 5.4 Insurance. The Company will during the term hereof continuously insure the Project against such risks as are customarily insured against by businesses of like size and type, including, but not limited to loss or damage by fire, with standard extended coverage, vandalism and malicious mischief endorsements. Such insurance for loss or damage to the Project shall be at all times in an amount equal to or exceeding the full insurable value of the Project, recognizing that portions of the Project may not be exposed to the aforesaid risks, or such lesser amount as shall be necessary to prevent the application of the co-insurance features of the insurance policy. The Company during the term hereof will continuously carry public liability insurance with reference to the Project, in minimum amounts of $1,000,000 for bodily injury or death per occurrence and $1,000,000 for property damage per occurrence. Such insurance policies shall name the Company, the Issuer and the Bondholder as insureds as their interests may appear; provided, however, that all claims on such insurance may be adjusted by the Company only with the insurers, subject to approval of the Bondholder and the Issuer, and all insurance proceeds for loss or damage to the Project shall be payable to the Depository. The Issuer and Secured Party upon the Company's request may consider and by written approval, consent to a reduction of the aforesaid coverages. At the request of the Issuer and Secured Party, the Company shall increase the insurance amounts required hereunder.

During the term of construction of the Project, the Company will continuously carry builder's risk insurance to the extent of the full insurable value of the Project (including items of labor and materials connected therewith whether in or adjacent to the structures insured; materials in place, or to be used as part of the permanent construction, including surplus materials, shanties, protective fences, bridges or temporary structures; miscellaneous materials and supplies incident to the work; and such scaffolding, stages, towers, forms and equipment as are not owned or rented by the contractor, the cost of which is included in the cost of the work) against loss or damage by fire, with standard extended coverage, vandalism and malicious mischief endorsements.

All insurance policies required under this Section shall be with insurance companies qualified under the laws of the State of Michigan to assume the risks undertaken and may be written with deductible amounts, co-insurance features and exceptions and exclusions comparable to those in similar policies carried by other companies engaged in business similar in size, character and other respects to those in which the Company is engaged, provided that public liability insurance policies shall be written without a deductible clause in excess of $1,000. The Company shall deposit with the Bondholder and the Issuer a certificate or certificates of the respective insurers attesting the fact that the required insurance is in force and effect. The Company shall, upon request of the Issuer or Bondholder, furnish copies to the Issuer or Bondholder of the original insurance policies herein required. Such insurance policies shall contain a provision that they may not be canceled or materially modified by the insurer except upon thirty days prior written notice to the Company, the Bondholder and the Issuer. At least ten days prior to the expiration or cancellation of any such policy, the Company will furnish to the Bondholder and the Issuer satisfactory evidence that such policy has been renewed or replaced by another policy or that there is no necessity therefor under the Contract. In lieu of the separate insurance policies above provided, such insurance may be in the form of a blanket insurance policy or policies which cover not only the Project but other properties owned or leased by the Company, which policies may contain other named insureds and comparable deductible amounts, co-insurance features and exceptions and exclusions, to those outlined above.

ARTICLE VI

MAINTENANCE, REMODELING, COMPANY'S MACHINERY AND EQUIPMENT

Section 6.1 Maintenance and Repair. The Company during the term of the Contract shall maintain the Project in good condition, repair and working order at its own expense, and will make or cause to be made from time to time all necessary repairs, renewals and replacements thereof, ordinary wear and tear and obsolescence excepted.

Section 6.2 Improvements to the Project. The Company may, without the prior written consent of the Issuer and the Bondholder, make such Improvements to the Project as it, in its discretion, may deem to be desirable for its uses and purposes, provided that such remodeling, modifications or improvements do not materially alter the scope, character, value or operation of the Project or impair the exemption of interest on the Bond from Federal income taxation. Except as provided in Sections 3.4 and 3.7, the cost of such Improvements to the Project shall be paid by the Company, and the same shall become a part of the Project and be included under the terms of the Contract.

Section 6.3 Company's Furnishings, Machinery and Equipment. While the Company is not in default hereunder, the Company may from time to time and in its sole discretion and at its own expense install additional machinery and equipment in the Project, provided that such installation does not impair the exemption of interest on the Bond from Federal income taxation. All furnishings, machinery and equipment so installed by the Company shall remain the sole property of the Company (or any third party from whom it may be leased or who shall have provided such furnishings, machinery and equipment under agreement with the Company reserving title to such third party) in which furnishings, machinery and equipment the Issuer shall have no interest, and such furnishings, machinery and equipment may be removed or modified at any time, all subject to the provisions of any separate security agreement in favor of the Bondholder covering such furnishings, machinery and equipment. In the event such removal or modification causes damage to the Project the Company shall restore or repair such damage at their sole expense. If additional furnishings, machinery and equipment is installed in the Project by the Company or a third party which cannot be readily distinguished from furnishings, machinery or equipment comprising part of the Project by reference to the exhibits attached to the Contract, the Plans, and the other instruments referred to in Section 9.2, then in such event such items of furnishings, machinery and equipment shall be and remain identified as such by tags or other symbols affixed thereto or otherwise clearly associated therewith, and any such items of furnishings, machinery and equipment not so identified shall be presumed to be part of the Project, but such presumption shall not be conclusive.

ARTICLE VII

DAMAGE TO PROJECT AND CONDEMNATION

In the event (i) the Project or any part thereof is damaged or destroyed, or (ii) title to or temporary use of the Project or any part thereof is taken in condemnation or by the exercise of the power of eminent domain by any Person, the Company shall promptly give written notice thereof to the Issuer and the Bondholder. With the written consent of the Bondholder and the Issuer the Company may elect to restore the Project (with such modifications as permitted under Section 3.4) otherwise they shall be required to purchase the Project under Section 12.1 if the Company is prevented from carrying on normal operation of the Project for a period of twelve months. On the basis of such election the Depository shall deposit insurance or condemnation proceeds in the Acquisition Fund or Bond Fund. If the Company elects to restore the Project, they shall proceed to do so with reasonable dispatch.

The Issuer shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof. This shall not be construed as precluding the Issuer or the City of Kalamazoo, from exercising its powers relating to eminent domain with respect to the Project, and in such event, the Company shall be allowed to contest such proceedings as though they held title to the Project. In no event will the Issuer voluntarily settle or consent to the settlement of condemnation proceedings respecting the Project without the written consent of the Company.

ARTICLE VIII

ACTIONS AFFECTING TITLE TO PROJECT AND LEASEHOLD ESTATE

Section 8.1 State of Title and Defense Thereof. The Project is leased subject to the existing state of the title thereof on the date hereof and Permitted Encumbrances. The Company shall, at its expense, defend the Issuer's title to the Project and the Company's right to possession of the Project hereunder. The Issuer shall join in any such proceeding insofar as the same may be required to permit the successful defense thereof, and the Company shall pay the Issuer's reasonable expenses on account of such proceedings, including the legal expenses of the Issuer.

Section 8.2 Assignment or Liens by the Issuer. Except as otherwise provided in or contemplated by the Contract, the Issuer shall not sell, assign, transfer, convey or otherwise dispose of the Project or any portion thereof or interest therein during the term of the Contract, nor shall it create or suffer to be created any debt, lien or charge thereon. Anything in this Section to the contrary notwithstanding, the Issuer shall not be precluded from taking such actions with respect to the Project as shall be necessary in order to perform its governmental functions.

Section 8.3 Liens by the Company. The Company shall not create or permit the creation of any lien, encumbrance or charge upon the Project or any part thereof, except Permitted Encumbrances. The Company shall take all steps necessary to discharge and remove any lien, encumbrance or charge other than Permitted Encumbrances. The Company may in good faith contest any lien, encumbrance or charge, and in such event may permit any such lien, encumbrance or charge to remain unsatisifed and undischarged during the period of such contest and any appeal therefrom unless or until in the opinion of Counsel by such action the title of the Issuer to any material part of the Project shall be materially endangered or the Project or any material part thereof shall become subject to imminent loss or forfeiture, in which event such lien, encumbrance or charge shall be promptly paid.

Section 8.4 Assignment and Subleasing. The Company may assign the Contract or sublet the whole or any part of the Project if the use of the Project by the assignee or sublessee will not affect the validity of the Bond under Act No. 338 or impair the exemption of interest on the Bond from Federal income taxation; provided, however, that the Company shall nevertheless remain primarily liable to the Issuer for the payment of all rent and other sums payable by it under and for the full performance of all of the covenants and conditions of the Contract. The Company shall provide a copy of any assignment or sublease to the Issuer and the Bondholder within thirty days after delivery thereof.

Section 8.5 Release and Conveyance of Project Land. The Issuer and the Company reserve the right to amend the Contract to effect the release from the Project of any unimproved portion of the land comprising the Project (i.e., land not occupied by building or unrelocatable machinery and equipment, roads and walks, utility lines and the like) and the conveyance thereof by the Issuer to the Company. Within thirty days of receipt of (i) notice by the Company specifying the land to be released and that it will be used for industrial or commercial purposes and enclosing proposed documentation, (ii) the approval of the Bondholder of the amendment to the Contract and acknowledgment by the Depository of the required consideration, and (iii) the written opinion of the Engineer that such release shall not adversely alter the scope, character, value, operation or productive capacity of the Project or destroy ingress to or egress from the remaining Project, the Issuer shall execute and deliver an amendment to the Contract and documents pertaining to such release and conveyance in form and substance reasonably acceptable to the Issuer and its counsel. The consideration for such release and conveyance shall be an amount deemed fair and adequate by the Bondholder, and shall be deposited in the Bond Fund or Acquisition Fund as the Company in writing shall direct. The land so released and conveyed shall be free and clear of any claims of the Issuer or the Bondholder. Such release and conveyance shall not entitle the Company to any abatement or diminution of the rentals payable hereunder.

Section 8.6 Substitution and Removal of Furnishings, Machinery and Equipment. Except as provided in this Section, furnishings, machinery and equipment comprising part of the Project shall remain in or near the building comprising the Project and on the site thereof. The Company may from time to time substitute furnishings, machinery and equipment in the Project, provided that the furnishings, machinery and equipment so substituted shall be furnishings, machinery and equipment free and clear of any liens or security interest except Permitted Encumbrances and of equivalent value and utility to that replaced, and provided that such substitution shall not impair the exemption of interest on the Bond from Federal income taxation. Any such substituted furnishings, machinery and equipment shall be identified in writing by the Company to the Issuer and Bondholder and shall become a part of the Project and be included under the terms of the Contract, and the machinery and equipment for which substitution has been made shall become the property of the Company free and clear of any claims of the Issuer or the Bondholder. The Issuer at the request of the Company shall sell any machinery and equipment comprising part of the Project without substitution therefor so long as the removal of such furnishings, machinery and equipment will not adversely alter the scope, character or operation of the Project and the Company shall pay into the Acquisition Fund or the Bond Fund the higher amount of (i) the proceeds from such sale or (ii) the fair market value of such furnishings, machinery and equipment or (iii) an amount equal to the original cost of such furnishings, machinery and equipment to the Issuer less depreciation calculated on a straight-line basis over the useful life of such furnishings, machinery and equipment. Upon such payment, the purchased furnishings, machinery and equipment shall be free and clear of any claims of the Issuer or the Bondholder. This provision shall not entitle the Company to any abatement or diminution of the rentals payable hereunder.

The Issuer and Company agree to execute and deliver such documents (if any) as the Issuer or Company or Bondholder may reasonably request in connection with any action taken under this Section.

Section 8.7 Grant of Easements. The Issuer shall at the request of the Company grant such right of way, utility and other similar easements over, across or under the land comprising part of the Project as shall be necessary or convenient for furnishing right of way, utility or other similar services to land or facilities adjacent to or near the Project, and at the location specified by the Company, provided that such easements in the written opinion of the Engineer, if requested, to the Issuer and Bondholder shall not adversely alter the scope, character, value or operation of the Project.

Section 8.8 Party Walls and Tie-in Facilities and Utilities. The Company may use walls of buildings comprising part of the Project as party walls for buildings located all or in part on land adjacent to the Project and may connect, tie-in or use structures and other facilities comprising the Project to or for the support of other buildings, structures or facilities not comprising part of the Project or may tie-in or connect any utility or other similar facilities serving the Project with utility and similar facilities serving land or facilities adjacent to or near the Project; provided that such use, tie-in or connection shall not impair the exemption of interest on the Bond from Federal income taxation and provided that such use in the written opinion of the Engineer, if requested, to the Issuer and the Bondholder shall not adversely alter the scope, character, value or operation of the Project and the Company take such action as may be satisfactory to the Issuer and the Bondholder to assure that the Project will if necessary, including without limitation in the event of the foreclosure of the Project, be restored to its original condition.

ARTICLE IX

FURTHER OBLIGATIONS OF THE COMPANY

Section 9.1 Compliance with Laws. The Company shall, throughout the term of the Contract and at no expense to the Issuer, promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project. Notwithstanding the foregoing, the Company shall have the right to contest the legality of any such law, ordinance, order, rule, regulation or requirement as applied to the Project provided that in the opinion of Counsel such contest shall not in any way materially adversely affect or impair the obligations of the Company under the Contract or materially adversely affect or impair the security interest of the Bondholder in the Contract. The Issuer shall not unreasonably refuse to cooperate to the extent necessary with the Company in any such contest, except where the Issuer is an adverse party to the Company. The foregoing shall not constitute a waiver by the Issuer of any civil or criminal remedies otherwise available to the Issuer against the Company.

Section 9.2 Further Assurances. The Company will on or before the anniversary date of this Contract, of each year, commencing with the first anniversary date of this Contract following the Completion Date, cause to be delivered to the Bondholder an opinion of Counsel that the Contract, the Indenture, and all financing statements, continuation statements, notices and other instruments required by applicable law adequately describe the Project as such Project may have been modified and have been recorded or filed in such manner and in such places required by law in order to fully preserve and protect, during the annual period succeeding the date of such opinion, the rights of the Issuer and the Bondholder in the Project and the Contract and all revenues derived therefrom; and further that all insurance required hereunder is in effect, all taxes and other charges to be paid under Section 5.1 hereof have been paid and all notices and approvals required under this Contract have been given. The Company, with such assistance and cooperation from the Issuer as the Company may reasonably request, will cause all action necessary to the delivery of such opinion to be taken, including filing such financing statements and continuation statements and preparing and executing such supplements to the Contract, the Indenture, and other instruments as may be necessary for Counsel to render the required opinion.

Section 9.3 Access to Project and Records. The Company agrees that subject to reasonable security and safety regulations and reasonable requirements as to notice the Issuer or the Bondholder or their respective duly authorized agents shall have the right at all reasonable times to enter the Project and to examine and inspect the same.

Section 9.4 Warranty as to Character of Project and the Use of Proceeds; Arbitrage Bond Covenant. The Company represents and warrants and covenants that the Project constitutes land or property of a character subject to the allowance for depreciation provided by the Internal Revenue Code of 1954, as amended, that substantially all of the proceeds of the Bond are being used for the acquisition and construction of the Project and that the Company has not incurred or become obligated for portions of the Project for which said proceeds are to be expended prior to July 17, 1980; that the proceeds of the Bond will not be used directly or indirectly to replace funds which were used directly or indirectly to acquire securities or obligations which have produced or may be reasonably expected to produce a yield over the term of the Bond which is materially higher than the yield on the Bond, and will make no use of the proceeds of the Bond, or any other funds which may be deemed to be proceeds of the Bond pursuant to Section 103(c) of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder, which, if such use had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be "arbitrage bonds" within the meaning of such Section and such regulations, and will comply with the requirements of such Section and such regulations throughout the term of the Bond.

Section 9.5 Warranty as to Costs, Completion Date and Average Life and Estimates Thereof. The Company has heretofore supplied the Issuer estimates of the cost of the Project, the completion date of the Project, and periods of usefulness of the Project. The Company hereby warrants that such estimates were made in good faith and are fair, reasonable and realistic.

Section 9.6 Covenant as to Non-Impairment of Tax-Exempt Status. The Company covenants that, notwithstanding any provision of the Contract or the rights of the Company thereunder, it will not take, or permit to be taken on its behalf, any action which would impair the exemption of interest on the Bond from Federal income taxation, and that it will take such reasonable action as may be necessary to continue such exemption, including without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

Section 9.7 Company Bound by Indenture. The Indenture has been submitted to the Company for examination, and the Company, by execution of this Contract, acknowledges that it has participated in the drafting of and has approved the Indenture and agrees that it is bound by and shall have the rights set forth by the terms and conditions thereof and covenants and agrees to perform all acts, pay all moneys and give all notices required to be performed, paid and given by it pursuant to the terms of the Indenture.

Section 9.8 Maintenance of Company Existence and Qualification in Michigan. During the term of the Contract, the Company shall maintain its existence and qualification to do business in the State of Michigan, and shall not dispose of all or substantially all of its assets (other than by way of mortgage or granting of a security interest to secure borrowing of the Company) and will not consolidate or merge into another partnership or entity without the prior written consent of the Secured Party.

ARTICLE X

OBLIGATIONS OF COMPANY UNCONDITIONAL

The obligations of the Company to make the payments required hereunder and to perform and observe the other agreements on their part contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim, or recoupment against the Issuer, the Bondholder or any person. Until such time as the principal of and interest and premium, if any, on the Bond shall have been fully paid, the Company (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any rental payments provided for in Section 4.5, (ii) will perform and observe all of their other agreements contained in the Contract and (iii) except as provided in Section 12.1, will not terminate the Contract for any cause including without limiting the generality of the foregoing, failure to complete the Project, failure of the Project to comply with the Plans, any defect in the Issuer's title to the Project, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws, regulations or administrative rulings of or administrative actions by the United States of America or the State of Michigan or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Contract. This shall not be construed to release the Issuer from the performance of any of its agreements with the Company under the Contract or otherwise; and in the event the Issuer shall fail to perform any such agreement, the Company may institute such action against the Issuer as the Company may deem necessary to compel performance provided that no such action shall (i) violate the agreements on the part of the Company contained in this Section or (ii) diminish the rentals required to be paid by the Company pursuant to Section 4.5. The Company may at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy or use hereunder, and in such event the Issuer agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer or to join in or bring any such action or proceeding if the Company shall so request.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default. The term "Events of Default" shall mean, whenever used in the Contract, any one or more of the following events:

(a) Failure by the Company to pay the rents required to be paid under Section 4.5 at the times specified therein.

(b) Failure by the Company to observe and perform any other covenant, condition, undertaking or agreement herein or in the Indenture or any other related or collateral documents other than the Guarantee on its part to be observed or performed for the period and after the notice specified below in this Section.

(c) Any representation or warranty made by the Company in any document delivered by the Company to the Bondholder, the Depository or the Issuer in connection with the sale and delivery of the Bond proves to be untrue in any material respect.

(d) The occurrence of any "reportable event", as defined in the Employee Retirement Income Security Act of 1974 and any amendments thereto, which is determined to constitute grounds for termination by the Pension Benefit Guaranty Corporation of any employee pension benefit plan maintained by or on behalf of the Company for the benefit of any of their employees or for the appointment by the appropriate United States District Court of a trustee to administer such plan and such reportable event is not corrected and such determination is not revoked within 30 days after notice thereof has been given to the plan administrator or the Company; or the institution of proceedings by the Pension Benefit Guaranty Corporation to terminate any such employee benefit pension plan or to appoint a trustee to administer such plan; or the appointment of a secured party by the appropriate United States District Court to administer any such employee benefit pension plan.

(e) Failure by the Company promptly to lift any execution, garnishment or attachment of such consequences as will impair the Company's ability to carry out the Company's obligations under this Contract; or the Company becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver for such Company or for the greater part of its properties; or a trustee or receiver is appointed for the Company or for the greater part of its properties without consent and is not discharged within 40 days; or bankruptcy, reorganization or liquidation proceedings are commenced by or against the Company, and if commenced against the Company are consented to by it or remain undismissed for 40 days.

(f) The occurrence of an Event of Default under any Guarantee.

No Default specified in Section 11.1(b) shall constitute an Event of Default until notice of such Default shall be given by the Bondholder to the Company and the Company shall have had ten days after receipt of such notice to correct said Default or cause said Default to be corrected, and shall not have corrected said Default or caused said Default to be corrected within such period.

Section 11.2 Remedies upon Event of Default. Whenever any Event of Default shall have occurred and be continuing, the Issuer or the Bondholder may take any one or more of the following remedial steps:

(a) May, if the principal and interest accrued on the Bond shall have been declared immediately due and payable pursuant to the Indenture, declare all installments of rent payable under Section 4.5 for the remainder of the term of the Contract to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) May, with the prior written consent of the Bondholder in the case of the Issuer, re-enter and take possession of the Project without terminating the Contract and sublease the Project for the account of the Company holding the Company liable for the difference between the rent and other amounts payable by such sublessee in such subleasing and the rents and other amounts payable by the Company hereunder including, but not limited to, all costs and expenses incurred by the Issuer or the Bondholder in re-entering possession and subleasing the Project;

(c) May, with the prior written consent of the Bondholder in the case of the Issuer, terminate the Contract, exclude the Company from possession of the Project and use its best efforts to lease or sell the Project to another for the account of the Company holding the Company liable for all rents and other payments due up to the effective date of such termination;

(d) May take whatever action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Contract;

(e) May, with the prior written consent of the Bondholder in the case of the Issuer, as reasonably deemed necessary from time to time (but shall not be required to) remodel, improve and repair the Project in order to better sublease or re-let the Project and all costs and expenses thereof shall become a debt due by the Company to the Issuer and the Bondholder and they shall be entitled to reimbursement from the first revenues or rentals received thereafter from any subleasing or re-letting.

(f) May, with the prior written consent of the Bondholder in the case of the Issuer, declare the Contract forfeited and void, and retain whatever may have been paid hereon and the Project and all improvements that may have been made upon the Project, together with any additions and accretions thereto, and consider and treat the Company as its tenant holding over without permission, and take immediate possession of the Project, and the Company and each and every other occupant remove and put out.

A notice of forfeiture, giving the Company at least fifteen (15) days to pay any moneys required to be paid hereunder or to cure other material breaches of this Contract, shall be served on the Company, as provided by statute, prior to institution of any proceedings to recover possession of the Project.

(g) May, have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Company only, however, insofar as they relate to the Project or the Event of Default and the remedying thereof;

(h) Apply moneys in and investments of the Bond Fund and the Acquisition Fund to principal then due and unpaid on the Bond.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the Indenture, except amounts collected pursuant to Article V for the benefit of the Issuer which shall be paid to and retained by the Issuer.

Section 11.3 Payment of Attorneys' Fees and other Expenses. In the event the Company should default under any of the provisions of the Contract and the Issuer and/or the Bondholder should employ attorneys or incur other expenses for the collection of rent or for the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer and/or the Bondholder, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses so incurred, including, but not limited to court costs.

Section 11.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bondholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Contract or now or hereafter existing at law or in equity or by statute.

Section 11.5 Limitation on Waivers. No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article XI, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

In the event any agreement contained in the Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder nor a waiver of the same breach on a future occasion. By reason of the assignment of the Issuer's rights and interest in the Contract to the Bondholder, the Issuer shall have no power to waive or release the Company from any Event of Default or the performance or observance of any obligation or condition of the Company under the Contract without prior written consent of the Bondholder, but shall do so if requested by the Bondholder, provided that prior to such waiver or release by the Issuer, the Issuer shall have been provided with an opinion of bond counsel of recognized standing that such action will not result in any financial or other liability to it and the Issuer shall have been provided such reasonable indemnification from the Bondholder as the Issuer shall deem necessary.

ARTICLE XII

OPTIONS AND OBLIGATIONS TO PURCHASE PROJECT

Section 12.1 Option to Purchase Project. The Company shall have the option to purchase the Project at any time prior to the full payment of the Bond for the purchase price specified in Section 12.4.

Section 12.2 Obligations to Purchase Project. The Company shall purchase the Project (a) at the expiration of the Contract following full payment of the Bond or (b) in the event of mandatory prepayment of the Bond as provided in the form of the Bond set forth in Section 201 of the Indenture.

Section 12.3 Notice of Option or Obligation. As applicable,

(a) in the event the Company chooses to exercise the option under Section 12.1; or

(b) not less than thirty but no more than sixty days prior to the expiration of the Contract and the coincident obligation to purchase the Project under Section 12.2(a); or

(c) within thirty (30) days after the Company is notified by the Secured Party or the bondholder of any event specified in Section 12.2(b),

the Company shall give written notice to the Issuer and to the Bondholder, specifying therein the date of closing such purchase, which date shall be not less than thirty days from the date such notice is mailed (and in the event of expiration of the Contract shall be such date of expiration), and, in case of a prepayment of the Bond in accordance with the Indenture, the Company shall make arrangements satisfactory to the Depository for the required notice of prepayment.

Section 12.4 Purchase Price. The purchase price payable by the Company for the Project upon exercise of its option or obligation to purchase the Project shall be an amount of money which, together with amounts then on deposit in the Bond Fund and available therefor, shall be sufficient (i) to retire and prepay at the earliest date permitted under the Indenture all the principal amount of the Bond at a prepayment price equal to the principal amount thereof and any applicable prepayment premium under the Indenture, (ii) to pay any interest accruing on such Bond to maturity or prepayment, (iii) to pay all fees and expenses of the Depository, if any, accruing through final payment of such Bond, and (iv) to pay all amounts then due or to become due and owing to the Issuer pursuant to the Contract, plus One Hundred Dollars.

Section 12.5 Conveyance Upon Purchase of the Project. At the closing of any purchase pursuant to this Section, the Issuer shall upon receipt of the purchase price deliver to the Company documents conveying to the Company title to the Project, as such Project then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to the Project was subject when conveyed to the Issuer and those created by the Company or to the creation or suffering of which the Company consented; (ii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of its agreements under the Contract; and (iii) if the Project is purchased as the result of condemnation, the rights and title of the condemning authority. The security interest of the Issuer in the Project shall be discharged upon the payment of the purchase price.

Simultaneously with such closing the Issuer shall assign and transfer to the Company all moneys, receivables, claims and other rights that are or are to become the property of the Issuer hereunder and which relate to or are incident to the ownership of the Project.

Section 12.6 Relative Position of Option and Indenture. The option granted to the Company in Section 12.1 shall be and remain prior and superior to the Indenture, and except for termination of the Contract upon Event of Default, may be exercised whether or not the Company is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Amounts Remaining in Bond Fund and Acquisition Fund. Any amounts remaining in the Bond Fund or Acquisition Fund, upon expiration or sooner termination of the Contract as herein provided, after payment in full of the Bond and other moneys due the Bondholder, the fees, charges and expenses of the Depository, if any, and all amounts owing the Issuer under the Contract, shall belong to and be paid to the Company by the Depository, as an overpayment of the rent.

Section 13.2 Lease Purchase Contract and Security Agreement. It is the intention of the Issuer and the Company that the Contract shall be treated for all purposes as a lease purchase contract and not a lease. Any reference to rental payments herein shall mean lease purchase payments.

The Contract also constitutes a security agreement under the Uniform Commercial Code. The debtor is the Company and inquiries for information should be addressed to the Company's Address. The secured party is the Issuer and inquiries for information should be addressed to the Issuer's Address.

Section 13.3 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

a. To the Issuer

The Economic Development Corporation of the
City of Kalamazoo
City Hall
Kalamazoo, Michigan 49007
Attention: Secretary

b. To the Company

LLS & B
810 Ampersee Street
Kalamazoo, Michigan 49001

c. To the Depository and Bondholder

The American National Bank and Trust Company
of Michigan
136 E. Michigan Avenue
Kalamazoo, Michigan 49007
Attention: Commercial Loan Department

A duplicate copy of each such notice, certificate or other communication given hereunder to the Issuer, the Company, or the Depository and Bondholder shall also be given to the others.

The Issuer, the Company or the Depository and Bondholder may by notice given hereunder designate any further or different addresses to which subsequent notices, certificates or communications shall be sent. If the Depository is a Person other than the Bondholder, notice should also be given the Depository.

Section 13.4 Amendment. The Contract may not be amended or terminated without the prior written consent of the Bondholder and no amendment to the Contract shall be binding upon either party hereto until such amendment is reduced to writing and executed by both parties hereto.

Section 13.5 Entire Agreement. The Contract contains all agreements between the parties and there are no other representations, warranties, promises, agreements or understandings, oral, written or inferred, between the parties, unless reference is made thereto in the Contract, the Indenture or the Bond Purchase Agreement mentioned in Section 2.1.

Section 13.6 Binding Effect. The Contract shall be binding upon the parties hereto and upon their respective successors and assigns, and the words "Issuer" and "Company" shall include the parties hereto and their respective successors and assigns and include any gender and singular and plural and individuals, partnerships or corporations.

Section 13.7 Severability. If any clause, provision or section of the Contract be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof.

Section 13.8 Execution in Counterparts. The Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.9 Captions. The captions or headings in the Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions of the Contract.

Section 13.10 Applicable Law. The Contract shall be governed in all respects, whether as to validity, construction, performance or otherwise, by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be duly executed as of the day and year first above written.

Witnessed As To All Signatures By:

Don M. Schmidt

L. W. Gray

THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF KALAMAZOO

By ______________________
Its Chairman
Harold Holland

Attest:

____
Its Secretary

[SEAL]

Witnessed As To All Signatures By:

Thomas W. Doerr

KathrynA. O'Donnell

LLS & B

By ______________________
RAYMOND W. LEVERSEE, a Partner

By ______________________
MICHAEL D. LEVERSEE, a Partner

By ______________________
HOWARD W. SMITH, a Parnter

By ______________________
DONALD J. BIERENS, a Partner

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I hereby certify that on this day the foregoing instrument by and between The Economic Development Corporation of the City of Kalamazoo (the "Issuer") and LLS & B was produced to me in my County, and acknowledged before me by Harold Hallock Chairman of the Issuer, party thereto, to be the act and deed of said Issuer, by him as its Chairman, thereunto duly authorized, and the Seal of the Issuer as affixed to said instrument, was attested and proven before me by E. Earl Wright, as its Secretary.

Given under my hand and Seal of Office this 19 day of March, 1981.

LuAnn G. Stampfler
LuAnn G. Stampfler
Notary Public, Kalamazoo County, Michigan
My commission expires: 5-15-84

(SEAL)

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I hereby certify that on this day the foregoing instrument by and between The Economic Development Corporation of the City of Kalamazoo (the "Issuer") and LLS & B was produced to me in my County, and acknowledged before me by Raymond W. Leversee, Michael D. Leversee, Howard W. Smith, and Donald J. Bierens, partners of LLS & B, a party thereto, to be their act and deed.

Given under my hand and Seal of Office this 17th day of March, 1981.

Kathryn A. O'Donnell
Kathryn A. O'Donnell
Notary Public, Kalamazoo County, Michigan
My commission expires: 3/2/82

(SEAL)

KATHRYN A. O'DONNELL NOTARY PUBLIC KALAMAZOO

This document drafted by and when recorded, return to Dennis R. Neiman, of Miller, Canfield, Paddock and Stone, 2500 Detroit Bank & Trust Building, Detroit, Michigan 48226

46054-29 B949a 3/11/81

EXHIBIT A

Land, including all structures, buildings, fixtures and all other real property interests located therein or thereon, located in the City of Kalamazoo, Kalamazoo County, Michigan, more particularly described as follows:

A parcel of land in the N.E. 1/4, Sec. 23, T. 2 S., R. 11 W., Kalamazoo City, Kalamazoo County, Michigan, being more particularly described as follows: Beginning at the S.W. corner of Lot 312 the Plat of Riverside as recorded in the office of the Register of Deeds of Kalamazoo County; thence N. 1° 02' W. 152.00 feet along the East line of Upjohn Ave.; thence East 244.50 feet parallel with the North line of Vine St. to the Westerly line of the G.T. & W. Railroad; thence S. 0° 19' 30" E. 151.97 feet along said West line to the North line of Vine St.; thence West 242.62 feet along said North line to the P.O.B. containing 0.846 acres of land.

EXHIBIT B

1	New General Electric Model BYC 048B115E0 heating and air conditioning unit
1	Used Peerless 165,000 BTU ceiling hung gas heating unit
3	New Gerber Model 21-212 water closets
1	Used urinal
3	New Moen Model 4625 lavatory faucets
3	New 19" x 17" Model 12-314 white lavatory sink
1	Used A. O. Smith 12 gal. electric water heater
1	New single plastic laundry sink
1	Used refrigerated drinking fountain
1	20" paint booth exhaust fan

EXHIBIT C

REQUISITION CERTIFICATE

TO: The American National Bank and Trust Company of Michigan, Secured Party

FROM: LLS & B (the "Company")

SUBJECT: The Economic Development Corporation of the City of Kalamazoo Economic Development Limited Obligation Revenue Bond (LLS & B Project).

This represents Requisition Certificate No. ___ in the total amount of $______________ to pay those Costs of the Project detailed in the schedule attached.

The undersigned does certify that:

1. The expenditures for which moneys are requisitioned hereby represent proper charges against the Acquisition Fund of the subject bond issue, have not been included in a previous requisition and have been properly recorded on the Company's books.

2. The moneys requisitioned hereby are not greater than those necessary to meet obligations due and payable or to reimburse the Company for its funds actually advanced for Costs of the Project.

3. After payment of moneys hereby requisitioned, there will remain in the Acquisition Fund sufficient funds to complete the Project substantially in accordance with the Plans.

4. All bills of sale necessary to vest title to the portion of the Project covered by this Requisition Certificate have been executed and delivered to or assigned by the Company to the Issuer and are attached hereto.

5. The Company is not in default under the Contract and nothing has occurred to the knowledge of the Company that would prevent the performance of its obligations under the Contract.

Executed this ___ day of __________, 19__.

LLS & B

By________________________________
Authorized Company Representative

SCHEDULE TO REQUISITION CERTIFICATE NO. ______________

	Amount
Payee and Location	$_______

46054-29 B949f 3/5/81

EXHIBIT D

COMPLETION CERTIFICATE

TO: The Economic Development Corporation of the City of Kalamazoo and The American National Bank and Trust Company of Michigan, Secured Party and Depository

SUBJECT: The Economic Development Corporation of the City of Kalamazoo Economic Development Limited Obligation Revenue Bond (LLS & B Project)

The undersigned does hereby certify:

1. The acquisition, construction and equipping of the Project has been completed substantially in accordance with the Plans and the date of ________________, 19___ is designated the Completion Date.

2. The Cost of the Project is not less than $________________, and the final affidavit of the contractor and the final lien waivers are attached hereto.

3. The Cost of the Project and all other costs to be paid from the Acquisition Fund have been paid in full except those described below for which moneys for payment thereof are being held in the Acquisition Fund:

   (a) Costs not yet due and payable:

Description		Amount
		$__________
	Total	$__________

   (b) Payments in contest or dispute:

Description		Amount
		$__________
	Total	$__________

4. The moneys in the Acquisition Fund in excess of the totals set forth in 3(a) and (b) above represent Surplus Bond Proceeds and the Depository is hereby authorized and directed to deposit such moneys in the ______________ Fund.

5. The Company is not in Default under the Contract and nothing has occurred to the knowledge of the Company that would prevent the performance of its obligations under the Contract.

This certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

Executed this ______ day of _____________, 19__.

LLS & B

By______________________________
Authorized Representative

46054-29 B949g 3/5/81

QUIT CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: that **THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF KALAMAZOO**, a public body corporate of the State of Michigan ("**Grantor**"), whose address is 241 West South Street, Kalamazoo, Michigan 49007, does hereby quit claim to **LLS&B**, a Michigan partnership ("**Grantee**"), whose address is 1701 E. Vine Street, Kalamazoo, MI 49001, all of Grantor's right, title and interest in and to that certain real property situated in the City of Kalamazoo, Kalamazoo County, State of Michigan, legally described as follows:

36203 PLAT OF RIVERSIDE SECTION 23-2-11 COM ST SW COR LOT 312 SD PLAT OF RIVERSIDE, TH N 1DEG 2MIN W 152FT ALG E LI UPJOHN AVE, TH E PAR WITH N LI E VINE ST 244.5FT TO WLY LI GTW RR, TH S 0DEG 19MIN 30SEC E ALG SD W LI 151.97FT TO N LI E VINE ST, TH W ALG SD N LI 242.62FT TO PL OF BEG. 0.846 A PA 255 8780068

Commonly known as: 1701 E. Vine Street, Kalamazoo, MI 49001
Tax Parcel No.: 06-23-252-001

Grantor grants to Grantee all transferable rights Grantor may have with respect to the above described real property to make divisions under Section 108 of the Land Division Act, Act 288, of the Public Acts of 1967, as amended.

Exempt from transfer tax pursuant to MCL 207.505(h)(i) and MCL 207.526(h)(i).

Dated: ________________, 2026.

[signature and acknowledgement on following page]

IN WITNESS WHEREOF, this Quit Claim Deed has been executed to be effective as of the date above written.

GRANTOR:

THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF KALAMAZOO

By: __________________________
Name: Lucas Middleton
Its: Board Chairperson

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me this ___ day of _____________, 2026, by Lucas Middleton, the Chairperson of The Economic Development Corporation of the City of Kalamazoo, a public body corporate of the State of Michigan, on behalf of said public body corporate.

____
Notary Public, State of Michigan, County of _________
My Commission expires: ________________________
Acting in the County of _____________, Michigan

DRAFTED BY:
Amelia P. Livingway
Dickinson Wright PLLC
2600 W. Big Beaver Road, Suite 300
Troy, MI 48084

EDC Board Report: Video Series Performance Overview

This report summarizes how our video series is performing across Facebook, YouTube, paid campaigns, and personal professional pages. It provides a unified view of reach, engagement, and audience behavior

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1. Executive Summary

Our video content continues to deliver strong reach across multiple platforms. Paid media campaigns produced exceptionally low cost-per-view, organic analytics show high discovery but early drop-off, and personal pages contributed meaningful supplemental engagement. Together, the series has generated **100K+ impressions** and **10K+ views** across all channels.

---

2. Organic Facebook Performance

Discovery & Reach

- **63.9%** of viewers were **non-followers** → strong reach beyond current audience
- **36.1%** were followers
- Distributed primarily through: • **53% Feed**
  • **30.2% Reels**
  • **8.5% Page visits**

Viewer Behavior

- Average watch percentage: **9%**
- Majority of viewers dropped off around the **5-second mark**
- Indicates clear need for stronger intro hooks

Audience Demographics

Top age groups:

- **35–44 (22.7%)**

- **65+ (20.5%)**
- **45–54 (19.5%)**

---

3. Paid Media Performance

From the June paid report[1]

Paid Search

- **40K impressions**
- **1.3K video views**
- **Budget:** $100
- **Cost per view: $0.10**
- Strongest performer:
  - *"Explore Our City: The South End" (1:00)* → **1.3K views**, **3.4% view rate**

Paid Social (Facebook/Meta)

- **40K impressions**
- **3K clicks**
- **5.7K 3-second views**
- **Budget:** $218
- **Cost per view: $0.16**
- Top Campaign: • *"Live: Quality of Life & Culture"* → **1,976 views**

Short-form and carousel content performed particularly well, validating diversified creative approaches.

4. YouTube Performance

(Based on paid video placements in the June report)[2]

- **1.3K YouTube views** generated through paid promotion
- Shorter **1-minute video** dramatically outperformed the 3-minute version

---

5. Personal Professional Page Contribution

Your LinkedIn and Facebook posts added meaningful additional reach:

LinkedIn (Personal)

- **2,419 impressions**
- **1,010 views**
- **137 engagements**
- **32% of viewers** came from government administrators, SMB owners, and business strategists

Facebook (Personal)

- **1,520 views**
- **167 engagements**

Combined Personal Contribution

- **3,429 additional views**
- **304 engagements**

These significantly boost overall visibility beyond official channels.

---

6. Total Combined Performance

Paid (YouTube + Facebook + Search)

- **7,000+ paid video views**
- **80K+ impressions**
- Cost-per-view between **$0.10–$0.16** (highly efficient)

Organic Facebook

- Strong non-follower reach
- Low retention (5-second drop-off)
- Reels driving meaningful discovery

Personal Pages

- **3,429 views**
- **304 engagements**

Overall Combined

- **100K+ total impressions**
- **10K+ total views**
- Cross-platform impact demonstrates strong interest in the messaging and format

---

8. Strategic Recommendations

Improve Early Engagement

- Add a **clear hook** in the first 3–5 seconds:
  "This is video #2 in our new series — stay for the ending!"

Continue Paid Promotion

- Paid results are extremely cost-effective
- Short-form video should continue to be prioritized

---

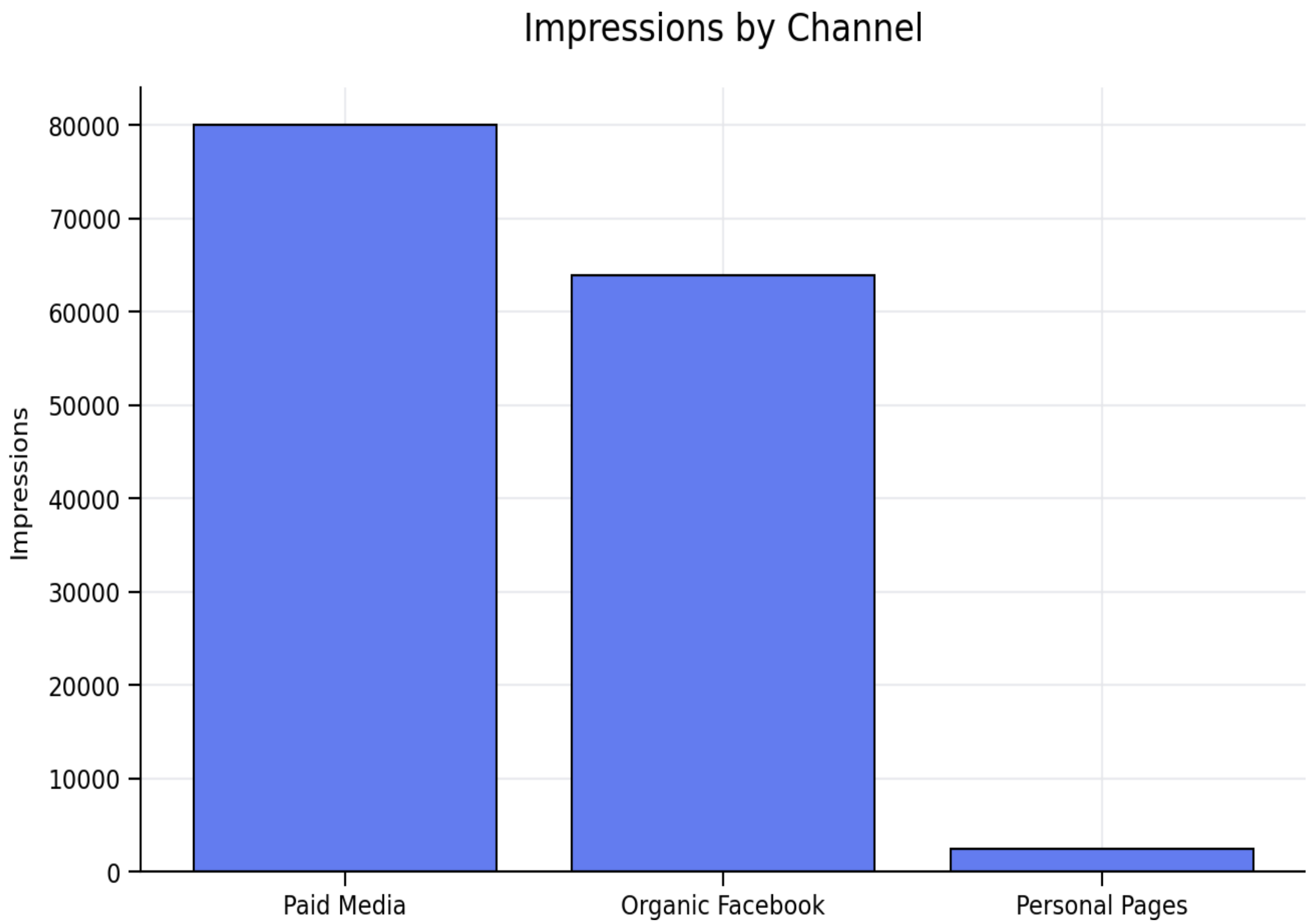
9. Closing Summary

The video series is performing very well across all channels, with paid media delivering excellent value, organic channels showing strong reach, and personal professional pages boosting engagement. With minor adjustments to early-video storytelling and continuing diversified creative, the series is well positioned for even stronger performance in future releases

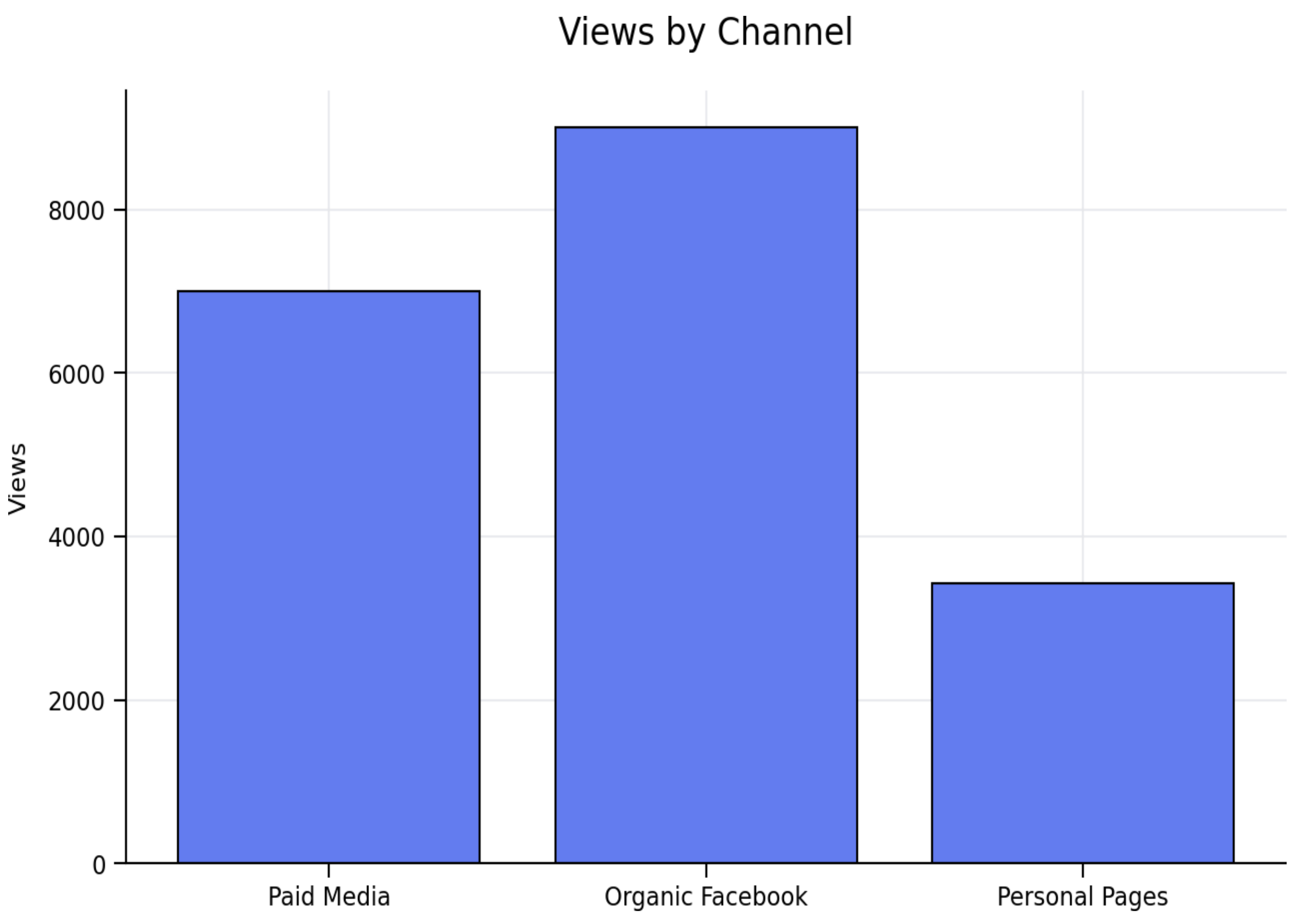
Executive Summary – Video Series Performance Overview

The video series has generated over 100,000 impressions and 10,000+ views,
with strong performance across paid, organic, and personal channels.
Paid media continues to deliver highly efficient cost-per-view metrics.
Organic Facebook demonstrates strong non-follower discovery.
Personal professional pages add substantial supplemental reach.
Strategic focus: strengthen first 5 seconds, continue paid + short-form content.

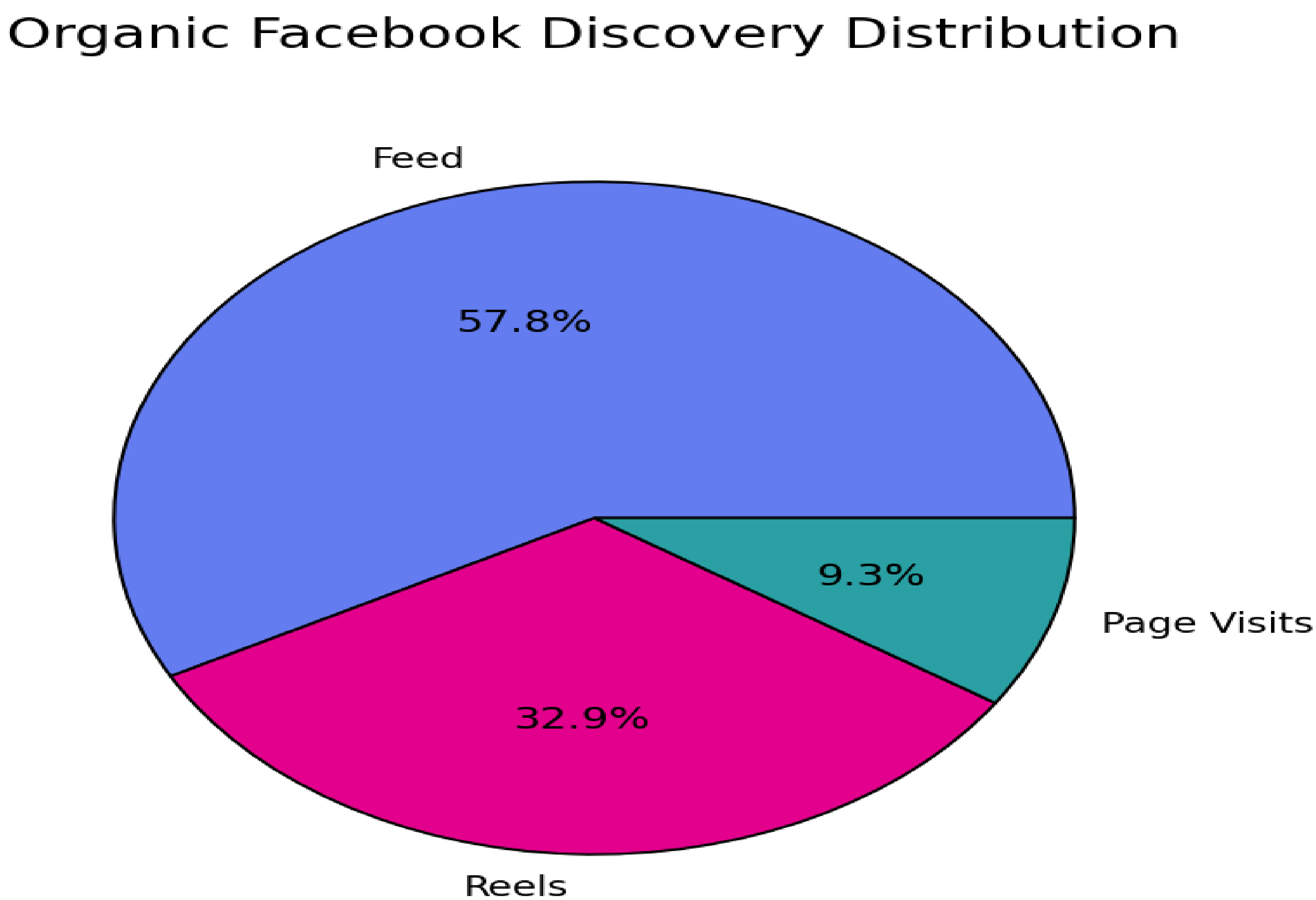
Impressions by Channel



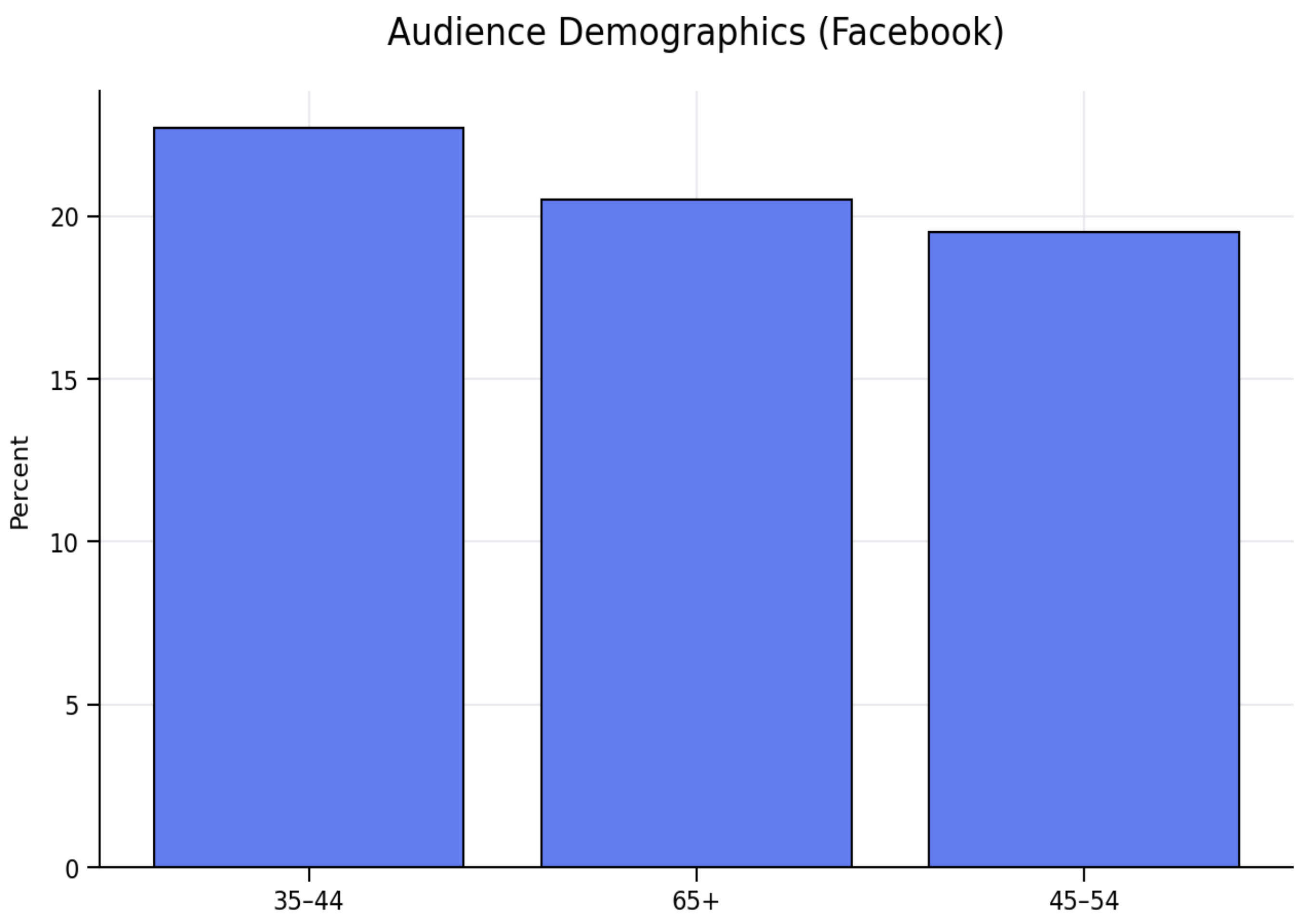
Views by Channel



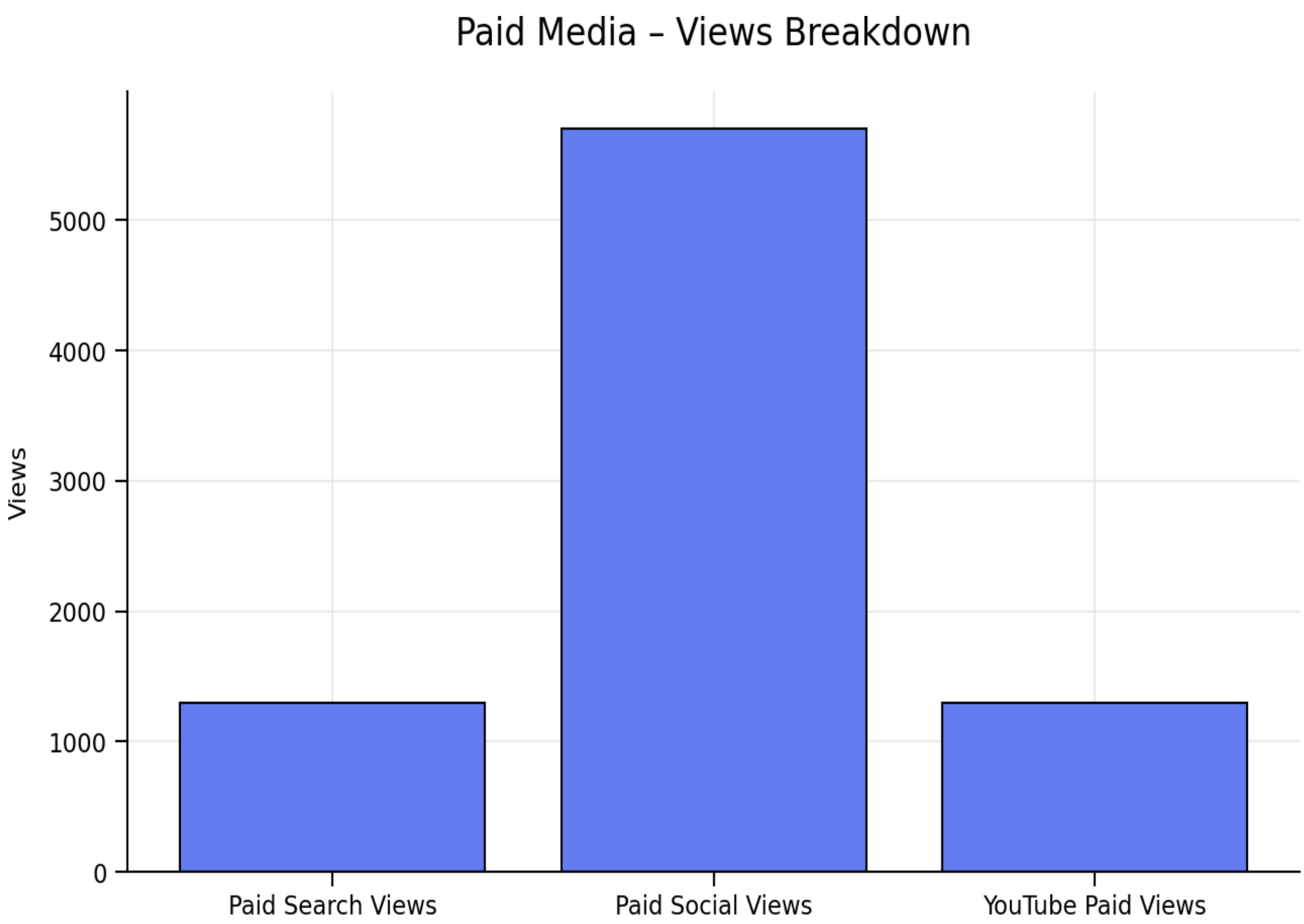
Organic Facebook Discovery Distribution



Audience Demographics



Paid Media – Views Breakdown



Closing Summary

The video series is performing strongly across all distribution channels.
Paid media provides exceptional value, driving high view counts at low cost.
Organic discovery remains high with room to improve early retention.
Personal professional networks add meaningful visibility for key audiences.
Overall, the campaign is well-positioned for continued growth with minor refinements.

City of Kalamazoo – Economic Development Department
2025 EDC Report: EIF Loan Program Impact Summary

- **Overview**
  The Economic Initiative Fund (EIF) continues to be an effective tool for supporting local business expansion, entrepreneurial development, and job creation. In 2025, the EIF supported five projects representing a total public investment of **$511,000**, leveraging **$4,362,972** in private funding and creating or retaining **114 jobs** across the city.

EIF Loan Breakdown by Business (To Date)

- **1. Winstons (Locals Bar)**
  EIF Loan Awarded: $35,000
  Private Funds Leveraged: $350,000
  Job Creation:
  • 10 full-time
  • 5 part-time
  Total Jobs: 15

- **2. Main Street East (Entrepreneurial Incubator)**
  EIF Loan Awarded: $250,000
  Private Funds Leveraged: $1,942,000
  Job Creation:
  • 50 part-time
  Total Jobs: 50
  (Reflects projected incubator capacity impact)

- **3. Kzoo Cream**
  EIF Loan Awarded: $20,000
  Private Funds Leveraged: $200,972
  Job Creation:
  • 1 full-time
  • 4 part-time
  Total Jobs: 5

- **4. Kalamazoo Candle Company**
  EIF Loan Awarded: $86,000
  Private Funds Leveraged: $860,000
  Job Creation & Retention:
  • 9 retained jobs

• 3 new full-time jobs
Total Jobs Impact: 12

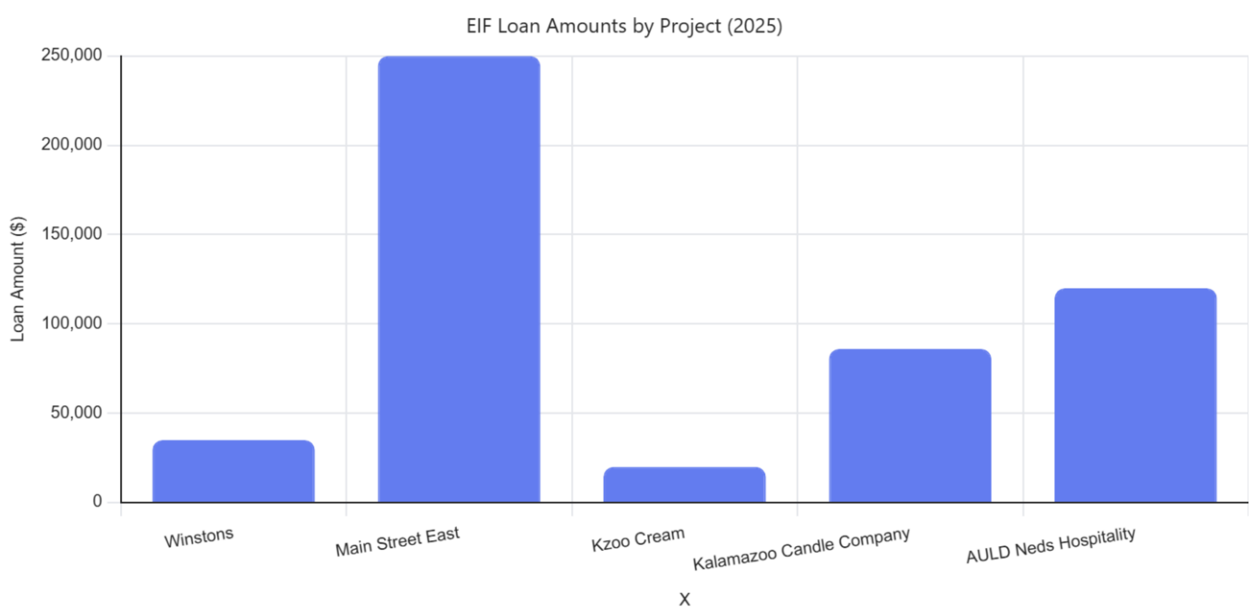
- **5. AULD Neds Hospitality / Emerald Oak Irish Pub**
  EIF Loan Awarded: $120,000
  Private Funds Leveraged: $1,010,000
  Job Creation:
  • 12 full-time
  • Up to 20 part-time
  Total Jobs: Up to 32

- **Total Program Impact (To Date – 2025)**
  - **EIF Loans Awarded:** $511,000

  Private Investment Leveraged: $4,362,972
  - **Job Impact:**

  • 26 full-time
  • 79 part-time
  • 9 retained
  Grand Total Jobs: *114*

- **EIF Loan Amounts by Project (2025)**



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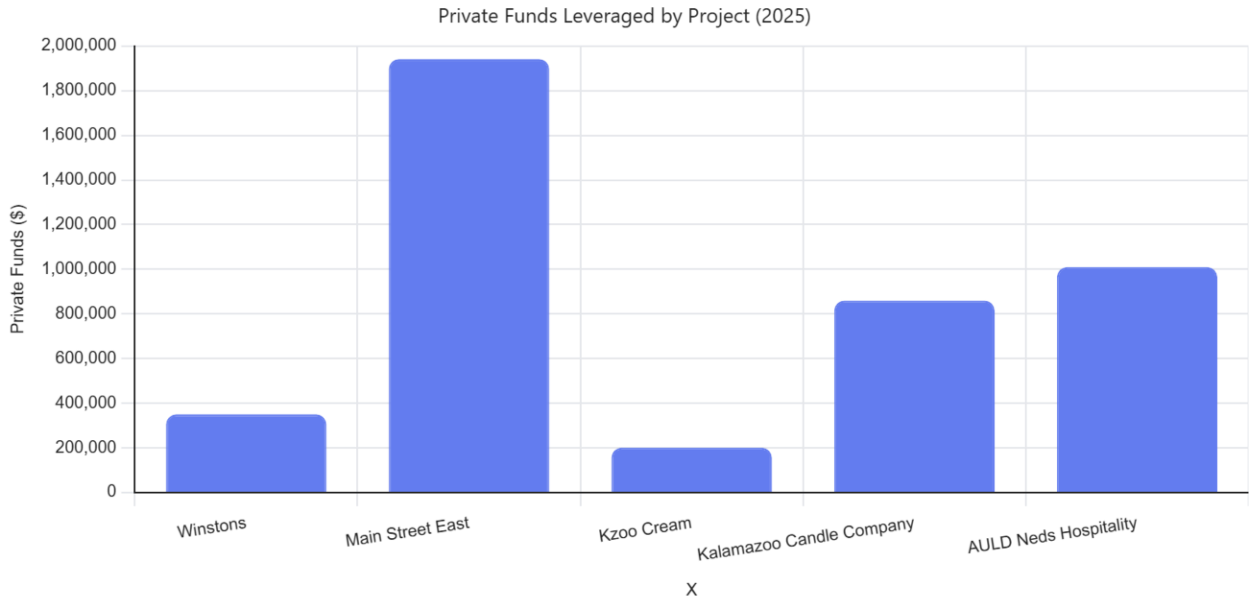
- **Private Funds Leveraged by Project (2025)**



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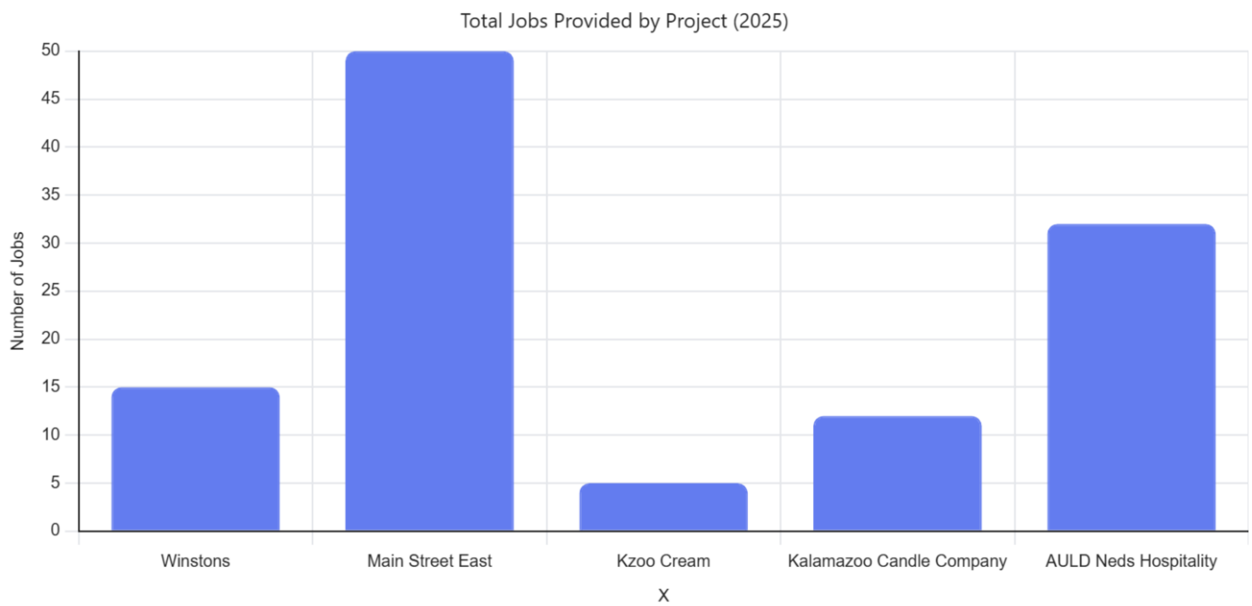
- **Total Jobs Provided by Project (2025)**



SOCIAL EQUITY CHAMBER

PROGRAM IMPACT SUMMARY

Reporting period: March-August 2026 | Kalamazoo & West Michigan

KALAMAZOO SOCIAL EQUITY CHAMBER

PROGRAM OVERVIEW

The Social Equity Chamber advances equitable access to employment, education, entrepreneurship, wellness, and community resources for Kalamazoo and West Michigan residents - particularly communities historically excluded from opportunity. During this period, the program paired measurable workforce outcomes with education pipelines, neighborhood outreach, and cross-sector partnerships that reduced barriers and strengthened community connection.

IMPACT AT A GLANCE

400+	**41**	**25**	**10**	**200+**	**60**	**5**
community engagements*	KVCC cohort enrollments	live job interviews	confirmed job placements	wellness event attendees	community volunteer hours	food bank volunteer shifts

KEY PROGRAM ACCOMPLISHMENTS

- Turned workforce preparation into hiring outcomes: 100+ summit attendees, 25 on-site interviews, and 10 confirmed placements.
- Expanded education-to-career pathways with 41 enrollments across four KVCC cohorts.
- Delivered a free intergenerational wellness event for 200+ attendees, with screenings, massage, fresh juice, youth activities, and wellness education.
- Deepened institutional influence through two workforce advisory board invitations and service on the NACD board.
- Sustained high-engagement outreach: 65% SMS and 62% email open rates, monthly radio presence, and recurring community activations.

COMMUNITY OUTREACH & PARTNERSHIPS

- Contributed 60 community volunteer hours, including 5 Southwest Michigan Food Bank shifts supporting food access.
- Engaged approximately 100 residents through NACD Northside Day and Senior Nights.
- Supported Charlie's Place and Steps to Victory through volunteer service, event coordination, donations, and neighborhood programming.
- Partnered with KVCC, Western Michigan University's business school, NACD, Kalamazoo County Health, Mint, Bloom City Club, employers, and resource organizations to expand access to jobs, training, wellness, and youth support.

MEASURABLE OUTCOMES

- Employment: 10 confirmed placements from 25 live interviews - demonstrating conversion from preparation to employment.
- Education: 41 participants enrolled across March, May, June, and September KVCC cohorts.
- Community reach: 400+ event engagements across the Workforce Summit, wellness event, and NACD outreach.*
- Wellness access: 200+ attendees connected with free screenings, massage, fresh juice, recreation, and family-friendly activities.
- Neighborhood service: approximately 100 residents reached through NACD events, plus 60 volunteer hours and 5 food bank shifts.

LOOKING AHEAD

- September 26: Industry Recharge - wellness and burnout-recovery programming for industry professionals and entrepreneurs.
- October 22: Fall Workforce & Career Advancement Summit, building on the May hiring outcomes with employers, interviews, coaching, training, and financial wellness resources.
- Continue growing measurable education-to-placement pipelines, structured employer partnerships, capital access, and data-driven advocacy.

WHY CONTINUED INVESTMENT MATTERS

The program is translating trusted community relationships into measurable pathways to employment, education, wellness, and economic mobility - while building the partnerships and data infrastructure needed to scale impact.

*Community engagements are event touchpoints, not confirmed unique individuals: 100+ Workforce Summit attendees + 200+ wellness event attendees + approximately 100 NACD residents. Data reconciliation: May KVCC enrollment was initially reported as 6 and later updated to 10; the latest confirmed figure is used. The projected 100 children for the Charlie's Place event is excluded from completed-impact totals.

Source: Social Equity Chamber monthly update decks, April-August 2026.