

**MEETING AGENDA**  
**In-Person & Electronic**  
**March 16, 2021 at 7:30 am**  
**Tax Increment Finance Authority**  
**City of Hillsdale**  
**97 N Broad Street**

Please join my meeting from your computer, tablet or smartphone.  
<https://global.gotomeeting.com/join/133338229>

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(For supported devices, tap a one-touch number below to join instantly.)  
United States: +1 (571) 317-3122

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Access Code: 133-338-229

**I. Consent Agenda - Action**

- A. Minutes from Meeting 1/19/2021
- B. Minutes from joint Targeted Development and Dawn Theater Governance Committees Meeting 2/17/2021
- C. Minutes from Beautification Committee Meeting 3/3/2021 and 3/10/2021
- D. Financial Reports

**II. Public Comment**

Agenda items only – 3 min.

**III. Committee Reports**

- A. Program Committee – Cindy Bieszk, Chair
  - 1. General Report
- B. Targeted Development Committee – Mary Wolfram, Chair.
  - 1. General Report
- C. Beautification Committee – Margaret Braman, Chair

- 1. General Report
- D. Dawn Theater Governance Committee – Mary Wolfram, Liaison
  - 1. General Report

**IV. Old Business**

- A. Dawn Theater Project Update

**V. New Business**

- A. 2020-21 FY Budget Amendment
- B. 2021-22 FY Proposed Budget
- C. Keefer House Purchase Agreement Amendment
- D. Councilman Greg Stuchell Request

**VI. Economic Development Update/Board Round Table**

**VII. Adjournment**

**Next Meeting: May 18, 2021 at 7:30 am.**



# CITY OF HILLSDALE

## Tax Increment Finance Authority TIFA Regular Meeting January 19, 2021

### Minutes

#### **I. Call to Order at 7:30 am**

- A. Members Present: Chair Andrew Gelzer, Cindy Bieszk, Mary Wolfram, Councilman Greg Stuchell, Margaret Braman, Darin Spieth, Mary Spiteri, Matthew McLain, Lance Lashaway, Chris Bahash
- B. Others present: David Mackie, Alan Beeker, Penny Swan, Jack McLain
- C. Members Absent: Tim Dixon, Michael Clark, John Spiteri

- #### **II. Consent Agenda** – Cindy Bieszk made a motion to approve the consent agenda as amended. Chris Bahash seconded, motion passed.

#### **III. Public Comment**

Jack McLain asked for clarification of the revenue received in 2020.

#### **IV. Membership Update**

- A. Committee Appointments
    - 1. Lance Lashaway requested to be appointed to the Dawn Theater Governance Board.
    - 2. Mary Spiteri requested to be appointed to the Beautification Committee.
- Chris Bahash moved to accept the appointment requests. Greg Stuchell supported, motion passed.

#### **V. Committee Reports**

- A. Program Committee – Cindy Bieszk, Chair
  - 1. General Report – The Committee has accepted three Façade Grant applications for the maximum \$10,000 amounts. The budgeted amount has been allocated but any future applications may be reviewed.
- B. Targeted Development Committee – Mary Wolfram, Chair.
  - 1. General Report – during the January meeting, the Committee reviewed the Agreement and requested minor corrections be made. The corrected agreement was posted to the website on Monday, January 18.
  - 2. Installment Purchase Agreement – the Committee moved to authorize the Chair to sign the agreement. During discussion, Mr. Lashaway requested clarification to the difference between the Purchase Agreement and the BPU Inter-departmental

loan and the reasons behind the need for both to complete the Dawn Theater project.

Greg Stuchell seconded the Committee's motion, motion passed with one objection.

C. Beautification Committee – No Chair

1. General Report – No report but the Committee members voted Margaret Braman as Committee Chair.

D. Dawn Theater Governance Board – Mary Wolfram, Liaison

1. General Report – No report.

## **VI. Old Business**

- A. Dawn Theater Project – Alan Beeker updated the Board on the progress going on at the Dawn Theater now that the new roof and structure were completed.
- B. BPU Inter-Departmental Loan – The loan was approved by Council in the Spring of 2020 with the expectation that the monies would be needed immediately upon start of construction. With Covid-19 delays, the construction did not begin until June 2020 and the loan funds were not transferred to TIFA until September 2020. As the agreement gave TIFA one year to begin making payments after the fund transfer, Mr. Beeker was instructed that if TIFA requested an amendment to the repayment schedule, the payments would not begin until September 2021 during the FY 2020-2021. Greg Stuchell moved to request the amendment to the repayment schedule. Darin Spieth supported, motion passed.

## **VII. New Business**

No New Business

## **VIII. Economic Development Update/Board Round Table**

- IX. Adjournment** – Greg Stuchell moved to adjourn, Margaret Braman seconded. Meeting adjourned at 8:04 a.m.

**Next Regular Meeting: March 16, 2021 at 7:30 am.**

# CITY OF HILLSDALE

## JOINT MEETING

### Tax Increment Finance Authority TIFA

### Targeted Development Committee

### And Dawn Theater Governance Committee

February 17, 2021

**Due to Technical issues, electronic participation was unavailable.**

## Minutes

### **I. Call to Order at 5:40 pm**

#### **Targeted Development Committee:**

- Members Present: Mary Wolfram (Chair), Andrew Gelzer, Chris Bahash
- Members Absent: Tim Dixon

#### **Dawn Theater Governance Committee:**

- Members Present: Mary Wolfram (Liaison), Greg Stuchell, Lance Lashaway
- Members Absent: Peggy Youngs, Ron Scholl

- Others present: Alan Beeker, Brant Cohen

### **II. Consent Agenda**

Mary Wolfram moved to move the Dawn Theater Update to “C” under Old Business. Andrew Gelzer seconded, motion passed.

### **III. Old Business**

#### **A. Keefer House Project Update**

1. Brant Cohen from CL Enterprises updated the Committees on the successful completion of project funding including gap funding from MEDC.
2. Mr. Cohen outlined the finalizing of the contract and design with the Architect and General Contractor.
3. Lance Lashaway asked if Keefer House LLC would be able to meet all of the deadlines that exist in the Keefer House Purchase Agreement and Promissory Note.
4. Mr. Cohen stated that Keefer House LLC would be requesting an extension to the Promissory Note deadline during the TIFA Board March meeting.

#### **B. Dawn Theater Liquor License Update**

1. Mary Wolfram asked the Committee if they had any questions re: the Liquor License Purchase Agreement with Keefer House LLC.
2. Chris Bahash asked when the license would become active if the agreement were approved.

3. Ms. Wolfram stated that the Liquor Control Commission (LCC) would not finalize the transfer until the Dawn Theater venue was completed and operational. The escrow will continue until that time.
  4. Mary Wolfram moved to approve the purchase agreement and authorize Andrew Gelzer as TIFA Board Chairman to sign the agreement. Chris Bahash seconded, motion passed.
- C. Dawn Theater Rehabilitation Project Update
1. Alan Beeker gave the Committee a brief update to the project. The project is moving along smoothly. The Contractor believes that it could be finished as soon as July 2021. The project grant deadline has been extended through December 31, 2021.

#### **IV. New Business**

- A. Dawn Theater House and Balcony Stencil Painting.
1. Foulke Construction received a bid for the stenciling that is in excess of \$50,000. The Committee would like to continue to look for less expensive options.
  2. Mr. Gelzer has approached Stockhouse Printing to provide an estimate to create the stencils.
  3. Mr. Bahash suggested contacting John Taipalus who has recently opened a sign company.
  4. Ms. Wolfram is going to contact the historic preservation department at Eastern Michigan University.
  5. Mr. Stuchell offered to speak to Heather Tritchka and the Hillsdale College Art Department.
- B. Future Projects
1. Mary Wolfram suggested tabling the discussion for another meeting.

#### **V. Committee Members' Comments**

Ms. Wolfram informed the Committees that the Friends of Dawn Theater have a Facebook page. They are creating banners to kick off fund raising. They recently received a \$2500 grant to use toward a documentary of the Dawn Theater.

#### **VI. Public Comment**

No public comment.

- VII. Adjournment** - Mr. Gelzer moved to adjourn, Ms. Wolfram seconded. Meeting adjourned at 6:14 pm.

# CITY OF HILLSDALE

## Tax Increment Finance Authority TIFA Beautification Committee

March 3, 2021

### Minutes

#### **I. Call to Order at 7:32 am**

##### **Attendance:**

- Members Present: Margaret Braman (Chair), Mary Spiteri, Greg Stuchell
- Members Absent: John Spiteri
- Others present: Alan Beeker

#### **II. New Business**

##### **A. Place making Study.**

- Mr. Beeker familiarized the newer members of what was concluded in the Place making Study from 2017.
- The Committee discussed ways to actively involve property owners to maintain and decorate storefronts and sidewalks in the downtown.
- Discussion included possibly having a judged contest to choose the best maintained and decorated storefront.

##### **B. Flowers:**

- Donated by Hillsdale Garden Club
- Discussion on the watering
  - Have each business owner take care of flowers in front of their store
  - Have possibly Volunteers from college interns to water
  - Chance of using the watering wagon from College

##### **C. Miscellaneous:**

- Keeping trash cans emptied on a timely manner
- Suggested have Beautification contest between stores for June, July and August. Giving a plaque to winner each month.
- Send out Flyers to store owners regarding contest

##### **D. New Idea:**

- Suggest that the service clubs adopt an area to take care of.

##### **E. AARP Community Challenge 2021**

- Several options were discussed to include in the grant application.
- It was decided to hold a meeting on Wednesday, March 10 at 7:30 am to discuss further.

#### **III. Public Comment**

No public comment.

**IV. Adjournment** - Ms. Braman moved to adjourn, Mr. Stuchell seconded. Meeting adjourned at 8:15 am.

# CITY OF HILLSDALE

## Tax Increment Finance Authority TIFA Beautification Committee

March 10, 2021

### Minutes

#### **I. Call to Order at 7:35 am**

##### **Attendance:**

- Members Present: Margaret Braman (Chair), Mary Spiteri, Greg Stuchell
- Members Absent: John Spiteri
- Others present: Alan Beeker

#### **II. Old Business**

##### **A. AARP Community Challenge Grant.**

- Alan Beeker shared information from an AARP Community Challenge webinar. He also shared that the AARP.org website had resources for Senior and Walkability surveys.

#### **III. New Business**

##### **B. Hanging flowers pots.**

- Mr. Beeker clarified that the Garden Club only donates the hanging pots for that are showcased in the district. All other flower pots were supplied and financed by TIFA as was the maintenance of the pots.
- The Committee discussed ways to actively involve property owners to maintain and decorate storefronts and sidewalks in the downtown.
- Discussion included possibly having a judged contest to choose the best maintained and decorated storefront.

##### **C. Miscellaneous:**

- Discussed pros and cons of incentivizing plant care in the contest. Storefront art could also be included.

##### **D. New Idea:**

- Service club participation is strong in the city and they may be willing to help in the district with small projects.

##### **E. AARP Community Challenge 2021**

- Still discussing what type of project to submit.

##### **F. Flower displays.**

- Committee will contact local flower shops, Garden Club and Raker's Acres to suggest each sponsor and create planting displays at the four primary public spaces in the district; City Hall, Courthouse Square, Wedge Plaza and USPS.
- Committee will contact Student Sign Company to have signs made that advertise the sponsorship of those that wish to participate.



- Committee will also contact the Chamber of Commerce to see if they would like to participate.

**IV. Adjournment** - Ms. Spiteri moved to adjourn, Mr. Stuchell seconded. Meeting adjourned at 8:00 am.

Fund 247 TAX INCREMENT FINANCE ATH.

GL Number	Description	Balance
*** Assets ***		
247-000.000-001.000	CHECKING ACCOUNT - COMMON	591,689.02
247-000.000-020.000	INVESTMENTS - MBIA/CLASS	151,094.10
247-000.000-082.001	DUE FROM OTHERS - BRIDGE LOANS	265,000.00
247-000.000-130.000	LAND	65,000.00
247-000.000-136.000	PLANT AND EQUIPMENT	211,464.55
247-000.000-137.000	ACCUMULATED DEPRECIATION-EQUI	(392,784.54)
247-000.000-138.000	INFRASTRUCTURE	381,672.00
247-000.000-158.000	CONSTRUCTION WORK IN PROGRESS	142,416.36
<b>Total Assets</b>		<b>1,415,551.49</b>
*** Liabilities ***		
247-000.000-202.000	ACCOUNTS PAYABLE	425.00
247-000.000-214.582	DUE TO ELECTRIC	200,000.00
<b>Total Liabilities</b>		<b>200,425.00</b>
*** Fund Balance ***		
247-000.000-390.000	FUND BALANCE	865,221.20
<b>Total Fund Balance</b>		<b>865,221.20</b>
<b>Beginning Fund Balance</b>		<b>865,221.20</b>
<b>Net of Revenues VS Expenditures</b>		<b>349,905.29</b>
<b>Ending Fund Balance</b>		<b>1,215,126.49</b>
<b>Total Liabilities And Fund Balance</b>		<b>1,415,551.49</b>

PERIOD ENDING 02/28/2021

\*NOTE: Available Balance / Pct Budget Used does not reflect amounts encumbered.

GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
			02/28/2021 NORMAL (ABNORMAL)	MONTH 02/28/2021 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 247 - TAX INCREMENT FINANCE ATH.						
Revenues						
Dept 000.000						
247-000.000-402.000	CURRENT TAXES	92,000.00	69,059.13	0.00	22,940.87	75.06
247-000.000-406.000	TAXES - PA 86 SEC. 17 PPT REPLACEMENT	36,000.00	0.00	0.00	36,000.00	0.00
247-000.000-529.000	FEDERAL GRANT - CDBG	1,000,000.00	542,522.50	0.00	457,477.50	54.25
247-000.000-573.000	LOCAL COMMUNITY STABILIZATION SHARE	0.00	31,208.01	0.00	(31,208.01)	100.00
247-000.000-665.000	INTEREST	0.00	272.88	6.96	(272.88)	100.00
247-000.000-692.000	OTHER REVENUE	0.00	400,000.00	400,000.00	(400,000.00)	100.00
Total Dept 000.000		1,128,000.00	1,043,062.52	400,006.96	84,937.48	92.47
TOTAL REVENUES		1,128,000.00	1,043,062.52	400,006.96	84,937.48	92.47
Expenditures						
Dept 900.000 - CAPITAL OUTLAY						
247-900.000-726.000	SUPPLIES	5,000.00	356.14	0.00	4,643.86	7.12
247-900.000-801.000	CONTRACTUAL SERVICES	2,000.00	0.00	0.00	2,000.00	0.00
247-900.000-801.005	CONTRACTUAL SERVICES - DAWN THEATER	3,500.00	3,500.00	0.00	0.00	100.00
247-900.000-801.006	CONTRACTUAL SERVICES - MEDC GRANT	1,000,000.00	668,670.54	0.00	331,329.46	66.87
247-900.000-801.247	CONTRACTUAL SERV-FACADE GRANT	0.00	10,000.00	0.00	(10,000.00)	100.00
247-900.000-806.000	LEGAL SERVICES	2,000.00	2,175.00	1,012.50	(175.00)	108.75
247-900.000-850.000	INSURANCE	0.00	7,393.00	0.00	(7,393.00)	100.00
247-900.000-920.000	UTILITIES	1,000.00	1,062.55	129.90	(62.55)	106.26
247-900.000-970.000	CAPITAL OUTLAY	264,000.00	0.00	0.00	264,000.00	0.00
Total Dept 900.000 - CAPITAL OUTLAY		1,277,500.00	693,157.23	1,142.40	584,342.77	54.26
TOTAL EXPENDITURES		1,277,500.00	693,157.23	1,142.40	584,342.77	54.26
Fund 247 - TAX INCREMENT FINANCE ATH.:						
TOTAL REVENUES		1,128,000.00	1,043,062.52	400,006.96	84,937.48	92.47
TOTAL EXPENDITURES		1,277,500.00	693,157.23	1,142.40	584,342.77	54.26
NET OF REVENUES & EXPENDITURES		(149,500.00)	349,905.29	398,864.56	(499,405.29)	234.05



**TO: TIFA**

**FROM: Zoning Administrator**

**DATE: March 16, 2021**

**RE: 2020-21 Budget Amendment**

**Background:** Due to the unforeseen need for the additional Theater project funds and the associated legal services, there is a need to amend the current fiscal year budget. The legal services have already exceeded the original \$2000 allocation and the sale of the liquor license is begun but not completed. It is City Staff's recommendation to increase the line item budget to \$4000. The first payment of the SMBT Installment Purchase Agreement is due on May 1, 2021 for the amount of \$20,860. The total amended amount to the 2020-21 FY budget would be \$22,860.



**TO:** TIFA

**FROM:** Zoning Administrator

**DATE:** March 16, 2021

**RE:** 2021-22 Proposed Budget

**Background:** The 2021-22 Proposed Budget includes the remainder of the Dawn project and the first year's installments on the repayment of debt along with legal services are the only items listed for the fiscal year. As you can see, the budget is tight but the numbers remain in the black.

03/10/2021

BUDGET REPORT FOR CITY OF HILLSDALE  
Calculations as of 02/28/2021

GL NUMBER	DESCRIPTION	2018-19 ACTIVITY	2019-20 ACTIVITY	2020-21 ACTIVITY THRU 2/28/21	2021-22 REQUESTED BUDGET	2021-22 RECOMMENDED BUDGET	2021-22 APPROVED BUDGET
ESTIMATED REVENUES							
Dept 000.000							
247-000.000-402.000	CURRENT TAXES	73,116	74,578	87,328	94,008		
247-000.000-406.000	TAXES - PA 86 SEC. 17 PPT REPLACEMENT	31,810	26,741	31,208	30,000		
247-000.000-529.000	FEDERAL GRANT - CDBG	83,800	53,900	547,023	710,523		
247-000.000-665.000	INTEREST	3,231	1,341	102			
247-000.000-673.001	GAIN ON SALE OF PROPERTY	13,002					
247-000.000-675.005	CONTR. & DONAT. - DAWN THEATER	12					
247-000.000-690.247	OTHER REFUNDS - TIFA GRANTS	900	400				
247-000.000-692.000	OTHER REVENUE						
247-000.000-214.582	BPU ELECTRIC LOAN			200,000			
247-000.000-001.000	SMBT INSTALLMENT PURCHASE AGRMT			400,000			
247-000.000-692.005	OTHER REVENUES - DAWN THEATER	2,434					
	END OF YEAR FUNDS			16,035	547,570		
Totals for dept 000.000 -		208,305	156,960	1,281,696	1,382,101		
APPROPRIATIONS							
Dept 900.000 - CAPITAL OUTLAY							
247-900.000-726.000	SUPPLIES	4,033	359	356			
247-900.000-801.000	CONTRACTUAL SERVICES	24,013	1,930				
247-900.000-801.005	CONTRACTUAL SERVICES - DTGC			3,500			
247-900.000-801.006	CONTRACTUAL SERVICES - MEDC GRANT	4,800	94,005	668,671	1,271,535		
247-900.000-801.247	CONTRACTUAL SERV-FACADE GRANT	28,169	25,687	30,000			
247-900.000-801.248	CONTRACTUAL SERVICES - BUS ATTRACTION		10,000				
247-900.000-801.249	CONTRACTUAL SERVICES BUS EXPANSION	10,000					
247-900.000-801.250	CONTRACTUAL SERVICES - RESTAURANT ATTRACT						
247-900.000-801.251	CONTRACTUAL SERVICES - HISTORIC PROJEC	10,000					
247-900.000-806.000	LEGAL SERVICES	2,070	713	2,675	2,000		
247-900.000-817.000	ECONOMIC DEVELOPMENT GRANT EX	14,511					
247-900.000-850.000	INSURANCE	-184	7,424	7,393	7,200		
247-900.000-862.000	LODGING AND MEALS						
247-900.000-920.000	UTILITIES	1,539	807	671	1,000		
247-900.000-930.000	REPAIRS & MAINTENANCE	1,580					
247-900.000-968.000	DEPRECIATION	14,226					
247-000.000-214.582	BPU ELECTRIC LOAN				42,800		
247-000.000-001.000	SMBT INSTALLMENT PURCHASE AGRMT			20,860	43,330		
247-900.000-970.000	CAPITAL OUTLAY						
Totals for dept 900.000		114,757	140,925	734,126	1,367,865		
NET OF REVENUES/APPROPRIATIONS - FUND 247		208,305	156,960	1,281,696	1,382,101		
NET OF EXPENSES		114,757	140,925	734,126	1,367,865		
ENDING FUND BALANCE		93,548	16,035	547,570	14,236		



**TO:** TIFA

**FROM:** Zoning Administrator

**DATE:** March 16, 2021

**RE:** CL Keefer Agreement Amendment

**Background:** Due to the unforeseen events of COVID-19, the Keefer project did not receive the gap funding in their original timeframe. As of January 2021, they now have 100% of the funding needed to complete the Keefer House renovation and plan to complete the project before the end of 2022. The original agreement was signed in May of 2018 with an amendment in September of 2019 (included). With the completion of funding, CL Real Estate is asking for an extension of 18 months to the September 2019 amendment.



March 10, 2021

City of Hillsdale TIFA  
ATTN: Andrew Gelzer  
Hillsdale TIFA Chairman  
97 N. Broad Street  
Hillsdale, MI 49242

Subject: Keefer House Hotel Purchase Agreement Promissory Note

Dear Andrew,

We are excited to announce that on January 26<sup>th</sup>, 2021 the Michigan Strategic Fund (MSF) Board approved our funding request for the Keefer House Hotel as an equity investment in the project. This approval finalizes our funding sources for the Keefer House Hotel. We are now in the last stages of the pre-development process before breaking ground. Currently, we are finalizing the construction contract and completing the financial closing process of all the capital sources. CL Real Estate is requesting the Hillsdale City TIFA clarify and adjust the Promissory Note timeline for substantial completion of the Keefer House Hotel to reflect the extended time it has taken to receive the MSF funding approval.

The terms for satisfying the Promissory Note on or before its expiration date are pursuant to the terms agreed upon in the Purchase Agreement. The Purchase Agreement's Repurchase section language provides an exception to the repurchase option date of May 25<sup>th</sup>, 2021. Should the purchaser be prevented from achieving the substantial completion milestone date, beyond Purchaser's control, by timing or funding issues of the Michigan Economic Development Corporation (MEDC) or other granting agency, the agreement indefinitely defers the repurchase option date. The MEDC Board gave its final approval to its financial participation in the Keefer House Hotel project on January 26, 2021, with closing preparation to follow. Therefore, the May 25<sup>th</sup>, 2021 deadline cannot be met. This event points to the need for clarification of the timetable and a resetting of the dates. We propose that the timetable provision be extended 1 and ½ years from May 25, 2021 (November 23, 2022). There may be additional language around that repurchase clause that is needed to provide clarity and assurance to the lender and investors, but we will be able to present that to you when additional closing legal work is completed. We appreciate the City of Hillsdale TIFA Board working with us to ensure that our financial partners' underwriting requirements are met. Only with your continued, excellent cooperation can the Keefer House Hotel project move forward.

Around this time last year, the economic effects of COVID-19 on the Michigan State budget were unknown. MEDC halted all funding requests for projects that had not been issued an MEDC Letter of Intent (LOI) at that time, which included the Keefer House Hotel. Our MEDC Funding decision was pushed until the new fiscal year beginning in October 2020. Prior to receiving an MEDC/MSF funding, the only work we could do on the Hotel is exploratory demolition to assess current conditions and structures, emergency maintenance, and hazardous material abatement.

Following this notice from MEDC/MSF we worked with our state legislators to move up MEDC's review of our application. Thanks to their help we received an LOI in September of 2020 and, after several months, went before the MSF Board in January 2021 for final approval.

To date, our capital stack is fully funded, and we have placed our initial \$5 Million investment in escrow. Our Hotel Operator is in place, and the architectural, engineering, and interior design work is completed. In December of 2019 we completed an extensive hazardous materials abatement of the Keefer. We rebid the project construction in December and are ready to finalize the contract for the complete renovation of the Keefer House Hotel.



The process has taken longer than anticipated. However, we have remained steadfast throughout COVID. Our development and financial partners have stayed committed. This is an exciting moment for the Keefer House Hotel and the City of Hillsdale, and we hope the City TIFA will agree to the new milestone date.

Best Regards,

A handwritten signature in blue ink, appearing to read "Nathan Watson". The signature is fluid and cursive, with the first name "Nathan" being more prominent than the last name "Watson".

Nathan Watson  
President of CL Real Estate Development, LLC



16 May 2018

Mary Wolfram  
Tax Increment Finance Authority  
97 North Broad Street  
Hillsdale, MI 49242

Dear Mary,

Enclosed is the purchase agreement between Tax Increment Finance Authority, City of Hillsdale, and Keefer House Hotel, LLC.

Please let me know if you need anything else or have any questions.

Thank you!

A handwritten signature in black ink that reads 'Nathan Watson'.

Nathan Watson  
General Manager, Real Estate Development  
CL Real Estate, LLC  
315 Fifth Street  
Peru, IL 61354  
Phone: 815.224.6639

## PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") made and entered into as of the 15<sup>th</sup> day of May 2018, by and between City of Hillsdale Tax Increment Finance Authority, a political subdivision of the State of Michigan, hereinafter referred to as "Seller", and The Keefer House Hotel, LLC, a Michigan Limited Liability Corporation, hereinafter referred to as "Purchaser".

### RECITALS

1. **Sale and Purchase.** In consideration of the mutual covenants and provisions herein contained, the completion of the "Development" as further detailed and described in the attached Exhibit B, and other good and valuable consideration, the parties hereto agree as follows: Seller shall sell and Purchaser shall purchase, subject to the terms and conditions herein, real estate and improvements including, the building and out buildings, known as the "Keefer House Hotel", with the address of 100-104 N. Howell Street, Hillsdale, Michigan, as more particularly described on Exhibit A, attached hereto and made a part hereof (the "Property").

2. **Purchase Price.** The purchase price for the Property shall be two hundred seventy-five thousand and 00/100 (\$275,000.00) dollars (the "Purchase Price") which shall be payable as follows;

a. A nonrefundable Earnest Money Deposit in the amount of \$10,000.00 which shall be paid by Purchaser at the time of execution of this Agreement;

b. The sum of \$265,000.00 pursuant to the terms of a Promissory Note in the amount of \$265,000.00 less all developer fees due Purchaser's affiliate, CL Real Estate Development, pursuant to that Development Services Agreement between Seller and CL Real Estate Development for the Dawn Theater Project dated February 13, 2018,; and

With the exception of the Earnest Money Deposit and a credit applied in connection with all developer fees due Purchaser's affiliate, CL Real Estate Development, pursuant to that Development Services Agreement between Seller and CL Real Estate Development for the Dawn Theater Project dated February 13, 2018, the Purchaser's obligations under the Promissory Note, as described above in subparagraph b., shall be considered fully paid and credited if the Purchaser shall have fully completed the Development as described in the attached Exhibit B.

Purchaser and Seller expressly agree and acknowledge that the payment mechanism set forth above is being utilized in consideration and in lieu of Purchaser applying for or receiving grant funds that are fully administered and awarded solely and directly from Seller including, but limited to the following:

Façade Grant;

Business Attraction Program Grant;

Restaurant Attraction Program Grant;

Special Projects/Historic Building Improvement Program Grant.

3. **Title and Deed.** Title to the Property shall be conveyed by warranty deed conveying good and marketable title to the Property, free of all interests, liens, encumbrances, except (i) current real estate taxes which are a lien but not yet payable; (ii) any encumbrances, easements, or restrictions of record; (iii) the restrictive covenants, if any; (iv) and such deed of trust or mortgage executed by Purchaser in connection with its acquisition of the Property. In the event the title to the Property is not in the condition called for herein at closing, then Purchaser may, at its election, either terminate its obligation under this Agreement and any deposit payment with any accrued interest shall be returned to Purchaser or Purchaser may elect to proceed with the Closing or extend the date of Closing by an additional period not to exceed thirty (30) days so as to provide Seller with the opportunity to cause such title to be placed in a condition herein called for, which Seller shall make a good faith attempt to accomplish at Seller's expense.

4. **Condemnation.** If, prior to the Closing, all or any part of the Property shall be condemned by governmental or other lawful authority, Purchaser shall have the option of (a) completing the purchase, in which event all condemnation proceeds or claims thereof shall be assigned to Purchaser, or (b) canceling this Agreement, in which event any escrowed funds shall be returned to Purchaser and this Agreement shall be terminated with neither party having any rights against the other.

5. **Taxes and Assessments.** Real property taxes, water rates and sewer charges and rents, if any, shall be prorated and adjusted through Closing. Seller shall be deemed owner through the day of Closing. Taxes for all prior years shall be paid by Seller. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation, with the proration to be adjusted between the parties based on actual taxes for the year in which Closing occurs at the time such actual taxes are determined. Assessments, either general or special, for improvements completed prior to the date of Closing, whether matured or unmatured, shall be paid in full by Seller.

6. **Transfer and Sales Taxes.** As provided in Section 15 below, the expense and cost of all Federal, state and local transfer and sales taxes, if any, relating to the sale of the Property shall be paid by Seller on the date of Closing. Both parties agree to execute any tax returns required to be filed in connection with any such taxes.

7. **Default by Purchaser.** If Purchaser shall default in the performance of any of the terms and conditions of this Agreement, or if the Closing shall not occur through the fault of Purchaser, Seller shall, as its sole remedy, retain any escrowed funds (plus all accrued interest) as liquidated damages, and this Agreement shall be canceled.

8. **Default by Seller.** If Seller fails or refuses to comply fully with the terms of this Agreement, because of unmerchantability of title to Property or for any other cause, Purchaser may at its option, (a) rescind this Agreement, and recover from Seller any and all reasonable expenses paid or incurred by Purchaser in connection with this Agreement, or (b) proceed with this Agreement and take the Property, subject to an abatement in the Purchase Price mutually agreed upon by the parties.

9. **Right of Entry.** At any time during the Inspection Period, and at Purchaser's sole expense, Purchaser or its authorized agents shall have the right to enter upon the Property for any lawful purpose, including without limitation making such surveys and site analyses, and test borings and engineering studies, all of which activities shall be conducted in accordance with a Right of Access Agreement executed contemporaneously with this Agreement, a copy of which is attached hereto as **Exhibit C.**

10. **Closing.** Unless otherwise provided by the terms of this Agreement, the closing and the delivery of the title to and possession of the Property to the Purchaser shall take place no more than 30 days after the end of the Inspection Period at the offices of the title insurance company selected by Purchaser, or at another place and time mutually agreed upon by the parties; provided that the Closing may be extended by Purchaser for up to thirty (30) calendar days in the event Purchaser notifies Seller of objections during the Inspection Period and Seller has failed to cure or remedy such objections by the Closing.

11. **Inspection Period.** Commencing upon the making of the initial earnest money deposit, Purchaser shall have a period of one hundred-eighty (180) days to complete their due diligence investigation and examination with respect to the Property (the "Inspection Period"). Within thirty (30) days following the making of the initial earnest money deposit, Seller shall deliver to Purchaser copies of all of the items within Seller's possession or control as listed on **Exhibit D** attached hereto.

The Inspection Period may be extended by agreement of both parties made in writing.

If Purchaser is not satisfied with the results of its due diligence investigation and examination for any reason whatsoever, or if any one of the conditions set forth below in section 12 are not met or waived, Purchaser may terminate this Agreement prior to the expiration of the Inspection Period. Such disapproval shall be made in writing and delivered or faxed to Seller by 5:00 P.M. EST on or before the last day of the Inspection Period. If this sale is terminated, the documentation set forth on **Exhibit D** shall be returned to Seller within 7 days of termination of this Agreement.

12. **Conditions.** The parties agree to the following additional terms and conditions:

(A) The Property will experience no material adverse change in any matter relating to the Property.

(B) This Agreement is contingent upon Purchaser's ability to obtain commercial financing in amounts determined by Purchaser in its sole discretion to be sufficient for completion of the project from a commercial lender of Purchaser's choice on or before the expiration of the Inspection Period.

13. **Conditions Precedent to the Closing:** Notwithstanding the time line for Inspection and Closing set out in Paragraphs 10 and 11, the Closing shall be deferred until the following conditions occur:

(A) Purchaser obtains a commitment from the Michigan Economic Development Corporation for a Blight Elimination Grant or other funding acceptable to the Purchaser.

(B) Purchaser obtains a Part II certification from the National Park Service for qualified historic renovation of the property.

(C) The Obsolete Property Tax Abatement application of Purchaser is preliminarily approved by the local governing body.

Purchaser may, at its sole discretion, waive any of the above conditions precedent to Closing and proceed to Closing.

14. **Repurchase:** In the event that Purchaser fails to (a) commence construction of the Project on or before 9 months after the acquisition of the Property, and/or (b) fails to Substantially Complete the Project on or before two and one-half years after the acquisition of the Property, except as prevented beyond Purchaser's control by any granting agency, including Seller and Michigan Economic Development Corporation (a "Fundamental Breach"), then the Seller, in its sole discretion, may exercise its option to re-purchase the Property by delivering written notice of such intent. If the Seller exercises its repurchase rights as set forth herein, the price for such repurchase shall be the forgiveness and cancellation of any indebtedness owed by Purchaser to Seller in connection with that certain Promissory Note executed by Purchaser made payable to Seller at the time of closing of this transaction. The repurchase of the Property shall be consummated through the Escrow Agent, at a time no later than ninety (90) days after the delivery of the Seller's notice that it intends to exercise its repurchase rights. Title to the Property shall be conveyed by the Purchaser to the Seller by warranty deed, subject to all real estate taxes, installments of special assessments, easements, restrictions, covenants and conditions of record, except delinquent real property taxes or installments of special assessments. Any mortgage or liens, including potential mechanics' liens or other liens outstanding on the Property, excepting those Mortgages and liens that Seller expressly agrees to have its interest subordinated to, shall be discharged by the Purchaser at the Closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of Closing. The costs of closing and title shall be paid by Seller.

15. **Deposit Payments/Earnest Money.** The Purchaser will, promptly after the mutual execution hereof by the parties, deliver to Midstate Title, Hillsdale, Michigan (the "Escrow Agent"), a non-refundable earnest money deposit of TEN THOUSAND DOLLARS (\$10,000.00) to be held in an interest-bearing account and credited toward the Purchase Price. The earnest money deposit shall be non-refundable except in the circumstance that Seller is unable to deliver marketable title to the subject property or in the event of

Condemnation of the subject property prior to closing.

16. **Notices.** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be delivered in person or mailed by certified or registered mail, postage prepaid, return receipt requested or by Federal Express, Airborne Express, or similar overnight delivery service, addressed as follows:

If to Seller:

City of Hillsdale Tax Increment Finance Authority  
97 N. Broad Street  
Hillsdale, MI 49242  
Attn: TIFA Chair

If to Purchaser:

THE KEEFER HOUSE HOTEL, LLC  
C/O: CL Real Estate Development, LLC  
315 Fifth Street  
Peru, IL 61354  
Attention: Nathan Watson, General Manager

with a Copy to:

Carus Group Inc.  
351 Fifth Street  
Peru, IL 61354  
Attention: Legal Department

Notice shall be deemed to have been given three (3) days after deposit in the US Mail in the case of mailing, or one (1) day following delivery to the overnight delivery service in the case thereof.

17. **Closing Costs.** Except as otherwise provided in this Purchase Agreement, Purchaser shall pay for all costs associated with any financing secured by Purchaser in connection with this transaction including recording fees, taxes, etc., on any mortgage or trust deed. Seller shall pay for document stamps, any transfer fees, recording fees, one half of the escrow fees (Purchaser shall pay the other half), and the preparation of the warranty deed. Purchaser will obtain a standard owner's title insurance commitment and policy, the fee and premium for which will be paid 50% each by Seller and Purchaser. Purchaser, at its sole cost, shall be entitled to obtain a survey of the Property. Purchaser and Seller shall be responsible for their respective attorney fees (if any). Except as specified herein, all closing costs or other expenses shall be paid by the party which incurred the same.

18. **Prorations at Closing.** As provided in Section 5 above, real estate taxes for the current year attributable to the Property, rent and any other apportionments that are applicable to this transaction shall be apportioned and prorated by closing agent as between the Seller and Purchaser to the date of Closing. If the amount of said property taxes are not yet known, they shall be apportioned based upon the assessment and rate for the previous year subject to readjustment as and when such applicable taxes are known. Any security deposits will transfer with the Property.

19. **Seller's Representations.** Seller, to induce Purchaser to enter into this Agreement to complete the sale and purchase of the Property hereunder, and to complete the project, represents to Purchaser as follows:

(a) That to the best of Seller's knowledge, there are no management, employment, service, equipment, supply, maintenance, water, sewer, utility or other agreements with municipalities (including improvement or development escrows or bonds) with respect to or affecting the Property.

(b) There are no existing leases, whether oral or written, affecting the Property.

(c) Seller is a political subdivision of the City of Hillsdale, Michigan and has the power and authority to enter into this Agreement and to consummate the transactions herein contemplated.

(d) Neither the execution and delivery of this Agreement, nor compliance with the terms and conditions of this Agreement by Seller, nor the consummation of the sale, constitutes or will constitute a violation or breach of any agreement or judicial order to which Seller is a party or to which Seller is subject.

(e) There are no actions, suits or proceedings pending or, to the best of Seller's knowledge, threatened by or against the Property or Seller in litigation, bankruptcy, insolvency or reorganization in any state or federal court.

(f) No condemnation proceedings have been instituted against the Property and Seller has not received any written notice and has no knowledge that any such proceedings or suits are contemplated.

For the purpose of this Agreement, the phrase "to the best of Seller's knowledge" and any phrase or words of similar import shall be deemed to mean the actual knowledge of Seller and its representatives, having made reasonable inquiry or investigation beyond such individual's actual knowledge on the date that Seller executes this Agreement. Each of the representations and warranties of Seller set forth above shall be deemed remade by Seller as of Settlement and shall survive Settlement.

20. **Time of Essence.** Time is expressly declared to be of the essence of this Agreement.

21. **Assignment of Agreement.** The Purchaser may assign this Agreement at the Purchaser's discretion only to a related entity at any time during the term of this Agreement. The assignee shall have all of the same rights and obligations under this Agreement as the Purchaser.

22. **Documents Subject to Freedom of Information Act (FOIA) Requests.** The Purchaser acknowledges that the Seller, as a governmental entity, is subject to Freedom of Information Act (FOIA) requests regarding any documents in Seller's possession including all documents received and possessed by Seller in connection with this transaction and the proposed development.

23. **Entire Agreement.** This Agreement contains the entire agreement between Seller and Purchaser, and there are no other terms, conditions, promises, undertakings, statements or representations, express or implied, concerning the sale contemplated by this Agreement.

24. **Headings.** The headings to the Sections hereof are for convenience of reference only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

25. **Modifications.** The terms of this Agreement may not be amended, waived or terminated orally, but only by an instrument in writing signed by both Seller and Purchaser.

26. **Successors.** This Agreement shall inure to the benefit of and bind the parties hereto and their respective successors and assigns. Purchaser may assign its rights hereunder only to related entities upon providing written notice to Seller.

27. **Condition of Property.** Seller hereby warrants and guarantees that the Property will remain in its present condition, as of the execution of this Agreement to and including the day that title to said Property is transferred to Purchaser, subject to the remaining terms and conditions of this Agreement. Purchaser acknowledges that it has or will inspect the Property, having made such inquiries and investigations as Purchaser has deemed necessary, desirable or appropriate, and that the Seller has held out no inducements and made no representations other than as specifically set forth herein.

28. **Enforcement Costs.** To the extent either party hereto is required to enforce the terms of this Agreement as the result of the other party failing to fulfill its obligations under the terms of this Agreement,

the party breaching the terms of this Agreement and against whom enforcement is sought shall pay all expenses and costs incurred by the prevailing party attempting to enforce the terms of this Agreement including but not limited to reasonable attorneys' fees and expenses.

29. **Counterparts.** This Agreement may be executed in separate counterparts, each of which will constitute an original, and all of which together shall constitute one and the same agreement. Executed copies hereof may be delivered by email or facsimile and, upon receipt, shall be deemed originals and binding upon the parties hereto.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

**SELLER:** \_\_\_\_\_

**PURCHASER:** \_\_\_\_\_

CITY OF HILLSDALE, TAX  
INCREMENT FINANCE AUTHORITY

THE KEEFER HOUSE HOTEL, LLC

BY: *Chris Sumnar*  
Chris Sumnar

BY: *Peter Limberger*  
Peter Limberger  
Manager

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

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

STATE OF MICHIGAN )  
 )SS:  
COUNTY OF HILLSDALE )

On May 9, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared Chris Sumnar, known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.

*Krista L. Miller*

**KRISTA L. MILLER**  
**NOTARY PUBLIC - STATE OF MICHIGAN**  
**COUNTY OF HILLSDALE**  
**My Commission Expires January 30, 2022**

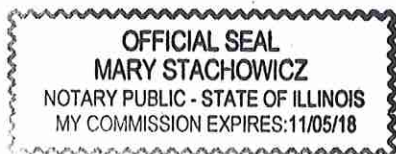
Krista L. Miller, Notary Public  
Hillsdale County, Michigan  
Acting in Hillsdale County, Michigan  
My Commission Expires: 01/30/2022

STATE OF ILLINOIS )  
 )SS:  
COUNTY OF *LaSalle* )

On May 15<sup>th</sup>, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared *Mary Stachowicz*, known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.

*Mary Stachowicz*  
*Mary Stachowicz*, Notary Public  
*LaSalle* County, Illinois

Acting in *LaSalle* County, Illinois  
My Commission Expires: *11-5-18*





**EXHIBIT A**

**THE PROPERTY**

Lot(s) 58 and the North 28 feet in width of Lot 57, Old or First Plat of the Village, now City, of Hillsdale, according to the recorded plat thereof, as recorded in Liber E of Deeds, Page 380.

More Commonly Known as: 100 -104 N. Howell Street, Hillsdale, MI

**EXHIBIT B**

**THE PROJECT**

The project consists of the renovation of the Property as a boutique hotel, with approximately 28 or more guest rooms, full service restaurant, lobby, retail, and supportive spaces, in such proportion, configuration and combination as deemed appropriate by the Purchaser for the proper market positioning and financial success of the Project.

**EXHIBIT C**

**RIGHT OF ACCESS AGREEMENT**

**THIS RIGHT OF ACCESS AGREEMENT** (this "Agreement") is made this 15<sup>th</sup> day of May, 2018 between City of Hillsdale Tax Increment Finance Authority with its principal address at 97 N. Broad Street, Hillsdale, MI ("Seller"), and The Keefer House Hotel, LLC, with an address at 315 Fifth Street, Peru, Illinois ("Purchaser").

**RECITALS**

**WHEREAS** the parties to this Agreement are, contemporaneously with the execution of this Agreement, entering into a Purchase Agreement providing for the purchase and sale of the building, out buildings and all fixtures, known as the "Keefer House Hotel" with address of 100 – 104 N. Howell Street, Hillsdale, MI, the real property being particularly depicted as described in the Purchase Agreement.

**WHEREAS**, this Agreement is intended solely to grant Purchaser the right of access to the Real Property to assure a thorough analysis of environmental and other due diligence matters:

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

- (1) This Agreement will be effective during the Inspection Period defined in Section 11 of the Purchase Agreement.
- (2) (a) Seller hereby grants to Purchaser, its agents, employees, and contractors permission to enter upon the Real Property for the sole purpose of making a physical inspection thereof, including the environmental condition of the Real Property, at Purchaser's sole expense.  
  
(b) Purchaser shall provide not less than forty-eight (48) hours oral notice to Seller in advance of any proposed testing, boring sampling, or any other inspection procedures. In the event Seller, for commercially reasonable reason, objects to the inspection procedures proposed by Purchaser, Purchaser shall revise such procedures as required in order to obtain Seller's approval thereof. If Seller does not object to the inspection procedures within twenty-four (24) hours after receipt of the oral notice from Purchaser, Seller shall be deemed to have agreed to the inspection procedures.  
  
(c) Purchaser shall conduct such inspections at reasonable times of the day, in a manner which does not unreasonably interfere with Seller's activities at the Real Property, and in the company of a representative of Seller if so desired by Seller.  
  
(d) Purchaser shall restore the Real Property to substantially the same condition existing prior to the commencement of its inspections.  
  
(e) Purchaser shall provide Seller with copies of any and all data, results, conclusions, and reports generated as a result of or during Purchaser's inspections.  
  
(f) If Purchaser's investigation of the Real Property includes the performance of any subsurface investigation, Purchaser agrees that for purposes of disposal under any applicable laws, Purchaser is the "owner" of any and all residual soil, water or other environmental media collected or produced in connection with Purchaser's investigation. Purchaser will be responsible for the lawful

disposal of any such materials collected or produced in connection with Purchaser's investigation. Purchaser acknowledges and agrees that Purchaser shall make reasonable efforts to use techniques and practices to minimize the volume of soil, water or other environmental media collected or produced during Purchaser's investigation. Notwithstanding anything herein to the contrary, the indemnity contained herein shall not extend to any pre-existing conditions at the Real Property which are merely discovered by the Purchaser.

(g) To assist Purchaser with its inspections, Seller shall make available copies of property records and such other documents relating to the Real Property reasonably requested and available.

(4) (a) Purchaser shall indemnify, defend and hold Seller harmless from and against any and all claims, judgments, damages, penalties, fines, costs, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees and costs) arising from or in any way connected to Purchaser's investigations and inspections, however, excluding the objective results or findings of Purchaser's investigations and inspections. Purchaser's indemnity obligation shall survive the closing of the acquisition of the Real Property or the earlier termination of this Agreement. Notwithstanding anything herein to the contrary, the indemnity contained herein shall not extend to any pre-existing conditions at the Real Property which are merely discovered by the Purchaser.

(b) Seller does not assume any risk, liability, or responsibility or duty of care as to Purchaser, its employees, agents, or contractors when on the Real Property to conduct its physical inspection. Purchaser acknowledges and agrees that Purchaser, its employees, agents, or contractors enter the Real Property and conduct their investigation thereon at their own risk, except for any willful misconduct or gross negligence on the part of Seller.

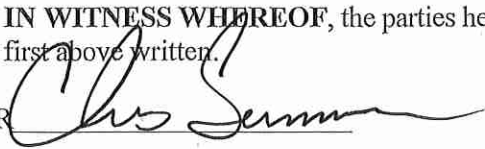
(5) (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, successors in interest, and assigns; provided, however, that Purchaser shall not have the right to assign its rights under this Agreement without Seller's prior written consent, which consent may be granted or withheld in Seller's sole discretion.

(b) All notices desired or required to be given hereunder shall be sent by certified or registered mail, return receipt requested, or by telecopy, Federal Express, or other overnight courier service to the parties at the addresses shown on the first page hereof or at such other address as either of the parties may notify the other in writing. All such notices shall be deemed effective upon receipt or rejection.

(6) This Agreement may be executed in one or more counterparts, each of which will constitute an original, and all of which together shall constitute one and the same agreement. Executed copies hereof may be delivered by facsimile and, upon receipt, shall be deemed originals and binding upon the parties hereto.

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

SELLER

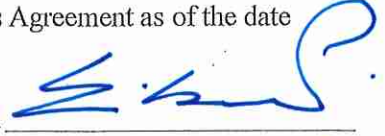


By: Chris Sumnar

CITY OF HILLSDALE,  
TAX INCREMENT FINANCE AUTHORITY

Its: Chairman

PURCHASER



By:

*Peter Limberger*

THE KEEFER HOUSE HOTEL, LLC

Its:

*Manager*

**EXHIBIT D**

**List of Seller's Deliveries**

- a) Phase I Environmental Report and any other environmental report, if any is in Seller's possession.
- b) Documentation relating to any on-site well.
- c) Real estate tax bills for 2015 through 2017.
- d) Existing Title Policy.

## ADDENDUM TO PURCHASE AGREEMENT

**THIS ADDENDUM** dated September 11, 2019, to that certain Purchase Agreement dated May 15, 2018, by and between the City of Hillsdale Tax Increment Finance Authority, a political subdivision of the State of Michigan, hereinafter referred to as "Seller", and The Keefer House Hotel LLC, a Michigan Limited Liability Corporation, hereinafter referred to as "Purchaser" is as follows:

Seller and Purchaser expressly agree that the provisions of Paragraph 14 of the Purchase Agreement shall be restated as follows:

14. **Repurchase:** In the event that Purchaser fails to (a) commence construction of the Project on or before January 25, 2020, and/or (b) fails to Substantially Complete the Project on or before two and half years after the acquisition of the Property, except as prevented beyond Purchaser's control by any granting agency, including Seller and Michigan Economic Development Corporation (a "Fundamental Breach"), then the Seller, in its sole discretion, may exercise its option to re-purchase the Property by delivering written notice of such intent. If the Seller exercises its repurchase rights as set forth herein, the price for such repurchase shall be the forgiveness and cancellation of any indebtedness owed by Purchaser to Seller in connection with that certain Promissory Note executed by Purchaser made payable to Seller at the time of closing of this transaction. The repurchase of the Property shall be consummated through the Escrow Agent, at a time no later than ninety (90) days after the delivery of the Seller's notice that it intends to exercise its repurchase rights. Title to the Property shall be conveyed by the Purchaser to the Seller by warranty deed, subject to all real estate taxes, installments of special assessments, easements, restrictions, covenants and conditions of record, except delinquent real property taxes or installments of special assessments. Any mortgage or liens, including potential mechanics' liens or other liens outstanding on the Property, excepting those Mortgages and liens that Seller expressly agrees to have its interest subordinated to, shall be discharged by the Purchaser at the Closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of Closing. The costs of closing and title shall be paid by Seller.

SELLER: 

CITY OF HILLSDALE, TAX  
INCREMENT FINANCE AUTHORITY

By: Chris Sumnar  
Its: Chairman

PURCHASER: 

THE KEEFER HOUSE HOTEL, LLC

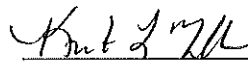
By: Peter Limberger  
Its: Manager

STATE OF MICHIGAN )

)SS:

COUNTY OF HILLSDALE )

On September 11, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Chris Sumnar, Chairman of the City of Hillsdale, Tax Increment Finance Authority, known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.



\_\_\_\_\_  
Krista L. Miller, Notary Public  
Hillsdale County, Michigan  
Acting in Hillsdale County, Michigan  
My Commission Expires: 01/30/2022

STATE OF MICHIGAN )

)SS:

COUNTY OF HILLSDALE )

On September 11, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Peter Limberger, Manager of The Keefer House Hotel, LLC known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.

OLIVIA C. JONES  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF HILLSDALE  
My Commission Expires \_\_\_\_\_  
Acting in the County of Hillsdale



\_\_\_\_\_  
Olivia C. Jones, Notary Public  
Hillsdale County, Michigan  
Acting in Hillsdale County, Michigan  
My Commission Expires: 07/09/2026