

SECOND AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT

BETWEEN THE

MICHIGAN LAND BANK FAST TRACK AUTHORITY
(a Michigan public body corporate and politic)

AND THE

CITY OF DETROIT
(a Michigan municipal corporation)

CREATING THE

DETROIT LAND BANK AUTHORITY
(a Michigan public body corporate)

This Agreement is entered into under Land Bank Fast Track Act, 2003 PA 258, MCL 124.751 to 124.774, between the **MICHIGAN LAND BANK FAST TRACK AUTHORITY**, a Michigan public body corporate and politic, and the **CITY OF DETROIT**, a Michigan municipal corporation, for the purpose of amending and reconstituting the **DETROIT LAND BANK AUTHORITY**, an existing separate legal entity and public body corporate to administer and execute the purposes and objectives of this Agreement.

RECITALS

A. In enacting the Land Bank Fast Track Act, 2003 PA 258, MCL 124.751 to 124.774, the 92nd Michigan Legislature found that there exists in the State of Michigan a continuing need to strengthen and revitalize the economy of the State of Michigan and local units of government in this state and that it is in the best interests of the State of Michigan and local units of government in this state to assemble or dispose of public property, including tax reverted property, in a coordinated manner to foster the development of that property and to promote economic growth in the State of Michigan and local units of government in this state.

B. The Michigan Land Bank Fast Track Authority was created as a public body corporate and politic under the Land Bank Fast Track Act, 2003 PA 258, MCL 124.751 to 124.774, and is authorized to enter into an intergovernmental agreement with a qualified city providing for the creation of a local authority to exercise the powers, duties, functions, and responsibilities of an authority under that act.

C. The City of Detroit, Michigan is a qualified city under the Land Bank Fast Track Act, 2003 PA 258, MCL 124.751 to 124.774.

D. It is the intent of the Michigan Land Bank Fast Track Authority and the City of Detroit to establish a local authority as a separate legal entity and as a public body corporate as authorized by Section 23(5) of the Land Bank Fast Track Act, 2003 PA 258, MCL 124.773(5), to exercise within the City of Detroit, Michigan the powers, duties, functions, and responsibilities of an authority under the Land Bank Fast Track Act, consistent with this Agreement.

E. On or about September 15, 2008, the Michigan Land Bank Fast Track Authority and the City of Detroit entered into that certain Intergovernmental Agreement regarding the creation of the City Authority (as defined below) (the “**Original Agreement**”).

F. On or about July 18, 2013, the Michigan Land Bank Fast Track Authority and the City of Detroit entered into that certain First Amended and Restated Intergovernmental Agreement amending and restating the Original Agreement (the “**First Amended and Restated Agreement**”).

G. The Michigan Land Bank Fast Track Authority and the City of Detroit desire to amend and restate the First Amended and Restated Agreement in its entirety as set forth in this Agreement.

Accordingly, the Michigan Land Bank Fast Track Authority and the City of Detroit, Michigan agree to the following:

ARTICLE I
DEFINITIONS

As used in this Agreement:

Section 1.01. “Agreement” means this first amended and restated intergovernmental agreement between the Michigan Land Bank Fast Track Authority, a Michigan public body corporate and politic, and the City of Detroit, Michigan.

Section 1.02. “Budget Act” means the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a.

Section 1.03. “City” or “City of Detroit” means the City of Detroit, County of Wayne, Michigan, a Michigan municipal corporation.

Section 1.04. “City Authority” means the Detroit Land Bank Authority, the public body corporate created under the Original Agreement pursuant to the Land Bank Act.

Section 1.05. “City Authority Board” means the board of directors of the City Authority created under Article IV.

Section 1.06. “City Council” means the City Council for the City of Detroit, Michigan.

Section 1.07. “Executive Director” means an executive director of the City Authority selected under Section 4.10.

Section 1.08. “Effective Date” means the date upon which all of the following are satisfied, as provided under Section 23 of the Land Bank Act:

- (a). This Agreement is entered into by the City of Detroit.
- (b). This Agreement is entered into by the Michigan Land Bank Fast Track Authority.
- (c). The Agreement is filed with the County Clerk for the County of Wayne, Michigan.
- (d). The Agreement is filed with the County Clerk for the County of Ingham, Michigan.
- (e). The Agreement is filed with the Michigan Secretary of State.

Section 1.9. “Fiscal Year” means the fiscal year of the City Authority, which shall begin on July 1 of each year and end on the following June 30.

Section 1.10. “FOIA” means the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

Section 1.11. “Foreclosing Governmental Unit” means that term as defined under Section 3(f) of the Land Bank Act, and Section 78 of The General Property Tax Act, 1893 PA 206, MCL 211.78.

Section 1.12. “Initial Term” means the period ending on the date that is ten (10) years following the Effective Date.

Section 1.13. “Land Bank Act” means the Land Bank Fast Track Act, 2003 PA 258, MCL 124.751 to 124.774.

Section 1.14. “Mayor” means the Mayor of the City of Detroit, Michigan.

Section 1.15. Michigan State Housing Development Authority” means a public body corporate and politic created under Section 21 of the State Housing Development Authority Act of 1966, 1966 PA 346, MCL 124.1421.

Section 1.16. “OMA” means the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

Section 1.17. “Party” or “Parties” means either individually or collectively as applicable, the State Authority or the City as each is a signatory to this Agreement.

Section 1.18. “Person” means an individual, authority, limited liability company, partnership, firm, corporation, organization, association, joint venture, trust, governmental entity, or other legal entity.

Section 1.19. “Qualified City” means a city that contains a first class school district and includes any department or agency of the city.

Section 1.20 “State” means the State of Michigan.

Section 1.21. “State Authority” means the Michigan Land Bank Fast Track Authority, a Michigan public body corporate and politic created under the Land Bank Act.

Section 1.22. “Tax Reverted Property” means that term as defined under Section 3(q) of the Land Bank Fast Track Act, 2003 PA 258, MCL 124.753(3)(q).

ARTICLE II **PURPOSE**

Section 2.01. Purpose. The purpose of this Agreement is to create the City Authority and to empower the City Authority to exercise the powers, duties, functions, and responsibilities of an authority under the Land Bank Act for the benefit of the City and the State.

Section 2.02. Programs and Functions. The City Authority shall endeavor to carry out the powers, duties, functions, and responsibilities of an authority under the Land Bank Act consistent with this Agreement, including, but not limited to, the power, privilege, and authority to acquire, manage, and dispose of interests in property, and doing all other things necessary or

convenient to implement the purposes, objectives, and provisions of the Land Bank Act and the purposes, objectives, and powers delegated to a City Authority under other laws or executive orders.

ARTICLE III

CREATION OF CITY AUTHORITY

Section 3.01. Creation and Legal Status of City Authority. The City Authority is established as a separate legal entity and public body corporate to be known as the “Detroit Land Bank Authority” for the purposes of acting as an authority under the Land Bank Act and administering and executing this Agreement.

Section 3.02. Articles of Incorporation. At its initial meeting, the City Authority Board shall adopt articles of incorporation consistent with this Agreement and the Land Bank Act.

Section 3.03. Principal Office. The principal office of the City Authority is at the location or locations within the City of Detroit, as determined by the City Authority Board.

Section 3.04. Title to City Authority Assets. Except as otherwise provided in this Agreement, the City Authority shall have exclusive title to all of its property and no Party shall have an ownership interest in City Authority property.

Section 3.05. Nonprofit and Tax-exempt Status. The City Authority shall not be operated for profit. No earnings of the City Authority shall inure to the benefit of a Person other than the City Authority or the Parties. The Parties intend the activities of the City Authority to be governmental functions carried out by an instrumentality or political subdivision of government as described in Section 115 of Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future tax code. The Parties also intend the activities of the City Authority to be governmental functions carried out by a political subdivision of this State, exempt to the extent provided under Michigan law from taxation by this State, including, but not limited to, the single business tax under the Single Business Tax Act, 1975 PA 228, MCL 208.1 to 208.145, and property taxes under the General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.157 or corresponding provisions of future State tax laws. The property of the City Authority and its income and operations are exempt from all taxation by the State or its political subdivisions under Section 4(5) of the Land Bank Act.

Section 3.06. Compliance with Law. The City Authority shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations.

Section 3.07. Relationship of Parties. The Parties agree that no Party shall be responsible, in whole or in part, for the acts of the employees, agents, and servants of any other Party or the City Authority, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party. No Party may obligate any other Party. No employee, agent, or servant of the City Authority shall be or shall be deemed to be an employee, agent, or servant of the State for any reason.

Section 3.08. No Third-Party Beneficiaries. Except as otherwise specifically provided, this Agreement does not create in any Person, other than a Party, and is not intended to create by implication or otherwise, any direct or indirect benefit, obligation, duty, promise, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights under this Agreement, and/or any other right or benefit.

ARTICLE IV
CITY AUTHORITY BOARD AND EXECUTIVE DIRECTOR

Section 4.01. City Authority Board Composition. The City Authority shall be governed by the City Authority Board, a board of directors that shall be appointed within fifteen (15) calendar days of the Effective Date of this amendment. Except as otherwise provided in this Agreement, elected officials and other public officers are eligible to serve as members of the City Authority Board to the extent permitted under Michigan law. The City Authority Board shall consist of five (5) members appointed as follows:

(a) Four (4) members appointed by the Mayor notwithstanding any charter, ordinance, or resolution to the contrary, subject to approval by City Council. However, if the City Council does not disapprove the appointment within thirty (30) days after submission by the Mayor, the appointment is confirmed.

(b) One (1) member appointed by the Executive Director of the Michigan State Housing Development Authority.

An employee of the Michigan State Housing Development Authority; a member of City Council; a person holding a position as City Council staff; and the Mayor is not eligible to serve as a member of the City Authority Board.

Section 4.02. Term of Office. Except as otherwise provided under this section, the members of the City Authority Board shall be appointed for a term of four (4) years. To provide for staggered terms of the members initially appointed, two members initially appointed under Section 4.01(a) shall be appointed for an initial term expiring on June 30, 2017; two members initially appointed under Section 4.01(a) shall be appointed for an initial term expiring on June 30, 2015; the members initially appointed under Section 4.01(b), shall be appointed for an initial term expiring on June 30, 2017. After the expiration of the initial terms, members appointed under Section 4.01 shall be appointed for terms of four (4) years.

Section 4.03. Removal. A member of the City Authority Board appointed under Section 4.01(a) may be removed at any time by the Mayor without cause. A member of the City Authority Board appointed under Sections 4.01(b) may be replaced at any time by the appointing authority without cause. Notwithstanding anything to the contrary in this Agreement, if at any time an emergency manager is in place for the City of Detroit pursuant to the Local Financial Stability and Choice Act, MICH. COMP. LAWS §§ 141.1541 *et seq.* (2012) (an "Emergency Manager"), a member of the City Authority Board appointed under Section 4.01(a) may be removed by the Emergency Manager and replaced at the Emergency Manager's sole discretion at any time during the Emergency Manager's term. Any member of the City Authority Board

appointed by the Emergency Manager pursuant to this Section 4.03 may not be removed by the Mayor during the Emergency Manager's term.

Section 4.04. Vacancies. A vacancy among the members of the City Authority Board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

Section 4.05. Meetings. The City Authority Board shall conduct its first meeting no later than forty-five (45) calendar days after the Effective Date of this amendment, provided that a quorum of the City Authority Board has been appointed and qualified. The City Authority Board shall meet at least annually and hold such other meetings at the place, date, and time as the City Authority Board shall determine. All meetings of the City Authority Board shall comply with the OMA. Public notice of the time, date, and place of the meetings shall be given in the manner required by the OMA.

Section 4.06. Quorum and Voting. A majority of the City Authority Board shall be required to constitute a quorum for the transaction of business. A quorum shall be necessary for the transaction of business by the City Authority Board. The City Authority Board shall act by a majority vote at a meeting at which a quorum is present. Presence in person for both quorum and voting at a meeting may include electronic communication to the extent not prohibited by law.

Section 4.07. City Authority Board Responsibilities. The City Authority Board shall do all of the following by a majority vote of its members appointed and serving:

(a). Consistent with this Agreement and the Land Bank Act, adopt amendments to the initial articles of incorporation adopted under Section 3.02 and adopt subsequent amendments to the articles of incorporation as deemed necessary by the City Authority Board. Any term in the articles of incorporation not consistent with this Agreement shall be void.

(b). Adopt bylaws, rules, and procedures governing the City Authority Board and its actions and meetings. Initial bylaws shall be adopted within six (6) months of the first meeting of the City Authority Board. The bylaws shall be consistent with the articles of incorporation. Any term in the bylaws not consistent with this Agreement shall be void.

(c). Elect officers. Initial officers shall be elected within thirty (30) days of the first meeting of the City Authority Board.

(d). Approve policies to implement day-to-day operation of the City Authority, including policies governing any staff of the City Authority.

(e). Provide for a system of accounts to conform to a uniform system required by law, and review and approve the City Authority's budget to assure that the budgets are approved and administered in accordance with the Budget Act.

(f). Provide for an annual audit in accordance with the Budget Act.

(g). Adopt personnel policies and procedures.

- (h). Adopt policies and procedures for contracting and procurement.
- (i). Adopt an investment policy in accordance with 1943 PA 20, MCL 129.91 to 129.96, and establish banking arrangements for the City Authority.
- (j). Contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the City Authority.
- (k). Take such other actions and steps as shall be necessary or advisable to accomplish the purposes of this Agreement.

Section 4.08. Fiduciary Duty. Subject to any paramount duties owed to a Party by a public servant of that Party, as defined in 1968 PA 317, MCL 15.321 to 15.330, the members of the City Authority Board are under a fiduciary duty to conduct the activities and affairs of the City Authority in the best interests of the City Authority, including the safekeeping and use of all City Authority monies and assets. The members of the City Authority Board shall discharge their duties in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 4.09. Compensation. Pursuant to Section 4(1)(h) of the Land Bank Act, the members of the City Authority Board shall receive no compensation for the performance of their duties but shall be reimbursed for actual and necessary expenses incurred in the discharge of their official duties subject to available appropriations. A City Authority Board member may engage in private or public employment, or in a profession or business, except to the extent prohibited by law.

Section 4.10. Executive Director. The City Authority Board may select and retain an Executive Director. An Executive Director selected and retained by the City Authority Board shall administer the City Authority in accordance with the operating budget adopted by the City Authority Board, general policy guidelines established by the City Authority Board, other applicable governmental procedures and policies, and this Agreement. The Executive Director shall be responsible for the day-to-day operations of the City Authority, the control, management, and oversight of the City Authority's functions, and supervision of all City Authority employees. All terms and conditions of the Executive Director's length of service shall be specified in a written contract between the Executive Director and the City Authority Board, provided that the Executive Director shall serve at the pleasure of the City Authority Board.

Section 4.11. Ethics. Within six (6) months of the first meeting of the City Authority Board, the City Authority Board shall adopt ethics policies governing the conduct of City Authority Board members, officers, appointees, and employees as required under Section 4(9) of the Land Bank Act. The policies shall be no less stringent than those provided for public officers and employees under 1973 PA 196, MCL 15.341 to 15.348.

Section 4.12. Conflicts of Interest. Members of the City Authority Board and officers, appointees, and employees of the City Authority shall be deemed to be public servants for the purposes of 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other applicable law with respect to conflicts of interest. As required under Section 4(10) of the Land Bank Act, the

City Authority shall establish, within six (6) months of the first meeting of the City Authority Board, policies and procedures requiring the disclosure of relationships that may give rise to a conflict of interest. The City Authority Board shall require that any member of the City Authority Board with a direct or indirect interest in any matter before the City Authority Board disclose the member's interest to the City Authority Board before the City Authority Board takes any action on the matter.

ARTICLE V
GENERAL POWERS OF CITY AUTHORITY AND LIMITATIONS

Section 5.01. General Powers Under Land Bank Act. Unless specifically reserved or conditioned upon the approval of the City or City Council in this Agreement, all powers granted under the Land Bank Act to the City Authority may be exercised by the City Authority without the approval of the City Council, notwithstanding any charter, ordinance, or resolution to the contrary. The City Authority may exercise all of the powers, duties, functions, and responsibilities of an authority under the Land Bank Act, including, but not limited to, each of the following:

- (a). Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business. The bylaws shall be consistent with the articles of incorporation.
- (b). Sue and be sued in its own name and plead and be impleaded, including, but not limited to, defending the City Authority in an action to clear title to property conveyed by the City Authority.
- (c). Borrow money and issue bonds and notes according to the provisions of the Land Bank Act.
- (d). Enter into contracts and other instruments necessary, incidental, or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, interlocal agreements under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, for the joint exercise of powers under the Land Bank Act.
- (e). Solicit and accept gifts, grants, labor, loans, and other aid from any Person, or the federal government, the State, or a political subdivision of the State or any agency of the federal government, the State, a political subdivision of the State, or an intergovernmental entity created under the laws of the State or participate in any other way in a program of the federal government, the State, a political subdivision of the State, or an intergovernmental entity created under the laws of the State.
- (f). Procure insurance against loss in connection with the property, assets, or activities of the City Authority.
- (g). Invest money of the City Authority, at the discretion of the City Authority Board, in instruments, obligations, securities, or property determined proper by the City Authority Board and name and use depositories for City Authority money.

(h). Employ legal and technical experts, other officers, agents, or employees, permanent or temporary, paid from the funds of the City Authority. The City Authority shall determine the qualifications, duties, and compensation of those it employs. The City Authority Board may delegate to 1 or more members, officers, agents, or employees any powers or duties it considers proper.

(i). Contract for goods and services and engage personnel as necessary and engage the services of private consultants, managers, legal counsel, engineers, accountants, and auditors for rendering professional financial assistance and advice payable out of any money of the City Authority.

(j). Study, develop, and prepare the reports or plans the City Authority considers necessary to assist it in the exercise of its powers under the Land Bank Act and to monitor and evaluate progress under the Land Bank Act.

(k). Implement policies and operate programs, including but not limited to a community land trust, to expand and stabilize the availability of long-term affordable housing.

(l). Enter into contracts for the management of, the collection of rent from, or the sale of real property held by an authority.

(m). Do all other things necessary or convenient to achieve the objectives and purposes of the City Authority under the Land Bank Act or other laws that relate to the purposes and responsibilities of the City Authority.

Section 5.02. Bonds or Notes. The City Authority shall not issue any type of bond in its own name except as authorized by the Land Bank Act. The City Authority shall not possess the power to in any way indebted a Party. Bonds or notes issued by the City Authority are the debt of the City Authority and not of the Parties. Bonds or notes issued by the City Authority are for an essential public and governmental purpose. Pursuant to Section 24(7) of the Land Bank Act, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes by the State or any political subdivision of the State.

Section 5.03. Casino Development Prohibited. Pursuant to Section 4(6) of the Land Bank Act, the City Authority shall not assist or expend any funds for, or related to, the development of a casino.

Section 5.04. Tax Limitation. Pursuant to Section 4(7) of the Land Bank Act, the City Authority shall not levy any type of tax or special assessment.

Section 5.05. Condemnation Prohibited. Pursuant to Section 4(8) of the Land Bank Act, the City Authority is prohibited from exercising the power of eminent domain or condemning property.

Section 5.06. Limitation on Political Activities. The City Authority shall not spend any public funds on political activities. This section is not intended to prohibit the City Authority from engaging in activities authorized by applicable law.

Section 5.07. No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under any applicable law.

Section 5.08. Non-Discrimination. The City Authority shall comply with all applicable law prohibiting discrimination. The City Authority shall not fail or refuse to hire recruit, or promote; demote; discharge; or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the individual's ability to perform the duties of a particular job or position. The City Authority shall not limit, segregate, or classify an employee or applicant for employment in a way that deprives or tends to deprive the employee or applicant of an employment opportunity or otherwise adversely affects the status of an employee or applicant because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the individual's ability to perform the duties of a particular job or position. The City Authority shall not provide services in a manner that discriminates against a individual with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the individual's ability to receive services from the City Authority.

ARTICLE VI

SPECIFIC POWERS OF THE CITY AUTHORITY

Section 6.01. Acquisition of Property. Except as otherwise provided in this Agreement or under the Land Bank Act, the City Authority may acquire by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise real or personal property, or rights or interests in real or personal property, on terms and conditions and in a manner the City Authority considers proper. Real property acquired by the City Authority by purchase may be by purchase contract, lease purchase agreement, installment sales contract, land contract, or otherwise. The City Authority may acquire real property or rights or interests in real property for any purpose the City Authority considers necessary to carry out the purposes of the Land Bank Act.

Section 6.02. Intentionally Omitted.

Section 6.03. Deeds In Lieu of Foreclosure. The City Authority may accept from a Person with an interest in a tax delinquent property or Tax Reverted Property a deed conveying that Person's interest in the property in lieu of the foreclosure or sale of the property as provided under Section 6 of the Land Bank Act. This section shall not be interpreted as approval by the City under Section 6(4) of the Land Bank Act or as a release of a tax lien under Section 6(6) of the Land Bank Act.

Section 6.04. Expedited Quiet Title and Foreclosure Actions. The City Authority may initiate an expedited quiet title and foreclosure action to quiet title to interests in real property held by the City Authority as provided under Section 9 of the Land Bank Act.

Section 6.05. Execution of Legal Documents Relating to Property. All deeds, mortgages, contracts, leases, purchases, or other agreements regarding property of the City Authority, including agreements to acquire or dispose of real property, shall be approved by and executed in the name of the City Authority.

Section 6.06. Holding and Managing Property. The City Authority may do any of the following:

(a). Hold and own in its name any property acquired by the City Authority or conveyed to the City Authority by the State, a Foreclosing Governmental Unit, a local unit of government, an intergovernmental entity created under the laws of the State, or any other public or private Person, including, but not limited to, Tax Reverted Property and property with or without clear title.

(b). Control, hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the property it holds or owns, without the approval of a local unit of government in which property held by the City Authority is located.

(c). Grant or acquire a license, easement, or option with respect to property as the City Authority determines is reasonably necessary to achieve the purposes of this Agreement and the Land Bank Act.

(d). Fix, charge, and collect rents, fees, and charges for use of property under the control of the City Authority or for services provided by the City Authority.

(e). Pay any tax or special assessment due on property acquired or owned by the City Authority.

(f). Take any action, provide any notice, or institute any proceeding required to clear or quiet title to property held by the City Authority in order to establish ownership by and vest title to property in the City Authority, including, but not limited to, an expedited quiet title and foreclosure action under Section 9 of the Land Bank Act.

(g). Remediate environmental contamination on any property held by the City Authority.

Section 6.07. Civil Action to Protect City Authority Property. The City Authority may institute a civil action to prevent, restrain, or enjoin the waste of or unlawful removal of any property from Tax Reverted Property or other real property held by the City Authority, as provided under Section 11 of the Land Bank Act.

Section 6.08. Environmental Contamination. If the City Authority has reason to believe that property held by the City Authority may be the site of environmental contamination, the City Authority shall provide the Michigan Department of Environmental Quality with any information in the possession of the City Authority that suggests that the property may be the site of environmental contamination, as required under Section 10 of the Land Bank Act. The City

Authority shall cooperate with the Michigan Department of Environmental Quality with regard to any request made or action taken by the Department under Section 10 of the Land Bank Act.

Section 6.09. Inventory and Classification of Property. All real property held by the City Authority shall be inventoried and classified by the City Authority according to title status of the property and suitability for use. The complete inventory shall be made available for public inspection and distribution at all times.

Section 6.10. Transfer of Interests in Property by City Authority. Pursuant to Section 7 of the Land Bank Act, on terms and conditions, and in a manner and for an amount of consideration the City Authority considers proper, fair, and valuable, including for no monetary consideration, the City Authority may convey, sell, transfer, exchange, lease as lessor, or otherwise dispose of property or rights or interests in property in which the City Authority holds a legal interest to any public or private Person for value determined by the City Authority. Any transfer or other disposition of property or interests in property by the City Authority shall be in accordance with guidelines established by the City Authority Board. The City Authority shall notify the City assessor of all conveyances, leases, exchanges, dispositions, or other transfers of interests in City Authority property, and shall provide such additional information as the City assessor may reasonably request in order to determine the value and tax status of such property.

Section 6.11. Disposition of Proceeds. Except as otherwise specifically provided in a separate Land Transfer Agreement to be entered into by and between the City and the City Authority, the form of which is attached hereto as Exhibit A (the "City Transfer Agreement"), any proceeds from the sale or transfer of property by the City Authority shall be retained by the City Authority, or expended or transferred by the City Authority consistent with the provisions of the Land Bank Act and pursuant to a plan adopted by the City Authority Board.

Section 6.12. Collective Bargaining. The City Authority shall have the right to bargain collectively and enter into agreements with labor organizations. The City Authority shall fulfill its responsibilities as a public employer subject to 1947 PA 336, MCL 423.201 to 423.217 with respect to all of its employees.

Section 6.13. Municipal Employee Retirement System. To the extent permitted under Michigan law, the City Authority Board may elect to become a participating municipality on behalf of City Authority employees but only pursuant to Section 2c(2) of the Municipal Employees Retirement Act of 1984, 1984 PA 427, MCL 38.1501 to 38.1558.

ARTICLE VII

TRANSFER OF PARCELS

Section 7.01. Existing City Parcels. Subject to the terms and conditions of the City Transfer Agreement, for no consideration, as permitted by Section 23 of the Land Bank Fast Track Act (MCL 124.773), the City shall convey all of its right, title and interest to certain parcels of real property held by the City Planning and Development Department ("Existing Parcels") to the City Authority, by one or multiple quitclaim deeds. Such transfer shall occur in such timing and fashion as is contemplated by the City Transfer Agreement.

Section 7.02. Existing State of Michigan Parcels. For no consideration, as permitted by Section 23 of the Land Bank Fast Track Act (MCL 124.773), the State Authority shall convey all of its rights, title and interest to all real property it holds within the geographic limitations of the City to the City Authority, by one or multiple quitclaim deeds. Such transfer shall occur within ninety (90) days following the Effective Date, except the State Authority shall not be required to transfer any parcels with respect to which they have entered into agreements for development prior to the end of such 90 day period.

ARTICLE VIII

BOOKS, RECORDS, AND FINANCES

Section 8.01. City Authority Records. The City Authority shall keep and maintain at the principal office of the City Authority, all documents and records of the City Authority. The records of the City Authority, which shall be available to the Parties, shall include, but not be limited to, a copy of this Agreement along with any amendments to the Agreement. The records and documents shall be maintained until the termination of this Agreement and shall be delivered to any successor entity or, if none, to the City Clerk.

Section 8.02. Freedom of Information Act. The City Authority shall be subject to and comply with the FOIA.

Section 8.03. Uniform Budgeting and Accounting Act. The City Authority shall be subject to and comply with the Budget Act. The Executive Director annually shall prepare and the City Authority Board shall approve a budget for the City Authority for each Fiscal Year. Each budget shall be approved by the June 1st immediately preceding the beginning of the Fiscal Year of the City Authority.

Section 8.04. Financial Statements and Reports. The City Authority shall cause to be prepared, at City Authority expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) on an annual basis. The financial statements shall be prepared in accordance with generally accepted accounting principles and accompanied by a written opinion of an independent certified public accounting firm. A copy of the annual financial statement and report shall be filed with the Michigan Department of Treasury, or any successor agency, and shall be made available to each of the Parties. The City Authority shall also maintain itemized account statements relative to each parcel of real property in its inventory, which shall be available for inspection upon the request of any Party.

Section 8.05. Audits. The City Authority shall provide for the conduct of audits in accordance with Sections 6 to 13 of the Budget Act, which shall be made available at the request of any Party. The City Authority Board shall establish a dedicated audit committee of the City Authority Board for the purpose of overseeing the accounting and financial reporting processes of the City Authority and audits of its financial statements. The City Authority shall establish specific duties and obligations of the audit committee and standards and qualifications for membership on the audit committee. The City Authority may require at least one member to be specifically knowledgeable about financial reports.

Section 8.06. Deposits and Investments. The City Authority shall deposit and invest funds of the City Authority, not otherwise employed in carrying out the purposes of the City Authority, in accordance with an investment policy established by the City Authority Board consistent with laws and regulations regarding investment of public funds.

Section 8.07. Disbursements. Disbursements of funds shall be in accordance with guidelines established by the City Authority Board.

Section 8.08. Performance Objectives. Each Fiscal Year, the Executive Director shall prepare objectives for the City Authority's performance for review and approval by the City Authority Board.

Section 8.09. Annual Reports. Not later than September 30 of each year, the City Authority shall file with the Mayor, the City Council, and with the State Authority a report detailing the activities of the City Authority during the preceding fiscal year, and any additional information as requested by the Mayor, the City Council, or the State Authority. The annual report shall also include itemized account information relative to each parcel of real property in its inventory.

ARTICLE IX

DURATION OF AGREEMENT

Section 9.01. Duration. The City Authority shall commence on the effective date of the Original Agreement and this Agreement shall commence on the Effective Date. The City Authority and this Agreement shall continue through the Initial Term and after that until terminated by joint action of the Parties and the City Council and Mayor or withdrawal by a Party under Section 9.02.

Section 9.02. Withdrawal by Either Party. Either Party may withdraw from this Agreement after the Initial Term, upon six (6) months notice in writing to the City Authority and Parties as provided under Section 9.01; provided, however, that withdrawal by the City requires the approval of the City Council and Mayor.

Section 9.03. Disposition upon Termination. As soon as possible after termination of this Agreement, the City Authority shall wind up its affairs as follows:

(a). All of the City Authority's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the City Authority and distribution of its assets shall be paid first.

(b). The remaining assets, if any, shall be distributed to any successor entity unless otherwise agreed by the Parties, provided, however, that approval by the City requires the approval of the City Council. In the event that no successor entity exists, the remaining assets shall be distributed as directed by the City unless otherwise agreed by the Parties.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be sent to that Party by first-class mail. All such written notices, including any notice of withdrawal under Article VIII, shall be sent to each other Party's signatory to this Agreement, or that signatory's successor. All correspondence shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the United States Postal Service. Any notice of withdrawal shall be sent via certified mail.

Section 10.02. Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

Section 10.03. Interpretation of Agreement. The Parties intend that this Agreement shall be construed liberally to effectuate the intent and purposes of this Agreement and the legislative intent and purposes of the Land Bank Act as complete and independent authorization for the performance of each and every act and thing authorized by this Agreement and the Land Bank Act. All powers granted to the City Authority under this Agreement and the Land Bank Act shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

Section 10.04. Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to any other Person, Party, or circumstance is not affected but will be enforced to the extent permitted by law.

Section 10.05. Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its plain and fair meaning, and not construed strictly for or against any Party.

Section 10.06. Captions and Headings. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning and or to be interpreted as part of this Agreement.

Section 10.07. Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 10.08. Cross-References. References in this Agreement to any Article include all sections, subsections, and paragraphs in the Article, unless specifically noted otherwise. References in this Agreement to any Section include all subsections and paragraphs in the Section, unless specifically noted otherwise.

Section 10.09. References to Public Acts and Statutes. All references to public acts and statutes in this Agreement shall be construed to mean the acts or statutes as amended.

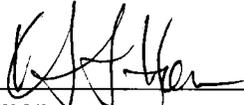
Section 10.10. Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of the State of Michigan. Subject to Sections 6419 and 6419a of the Revised Judicature Act of 1961, 1961 PA 236, MCL 600.6419 and 600.6419a, any and all claims against the State or the State Authority must be brought and maintained in the Court of Claims in Ingham County notwithstanding Section 6421 of the Revised Judicature Act of 1961, MCL 600.6421.

Section 10.11. Amendment. This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties; provided, however, that approval by the City requires the approval of the City Council.

Section 10.12. Effective Date. This Agreement shall become effective as of the Effective Date.

This Agreement is executed by the authorized representatives of the Parties on the date(s) indicated below:

MICHIGAN LAND BANK FAST TRACK AUTHORITY

By: 
Kim Homan
Executive Director

Dated: 12/19/13

CITY OF DETROIT

By: 
Kevyn D. Orr
Emergency Manager

Dated: December 19, 2013