

NORTHFIELD TOWNSHIP BOARD AGENDA
November 26, 2019 – 7:00 PM
8350 Main Street, 2nd Floor

- CALL TO ORDER
- INVOCATION / PLEDGE
- ROLL CALL
- PRESENTATION AND RECEPTION OF THE AUDIT
 1. 2018-2019 Audit Presentation by John Pfeffer of Pfeffer, Hanniford and Palka
- CALL TO THE PUBLIC - Any member of the public may address the Board at this time; however, this is not an opportunity for dialogue, or questions and answers. Please keep comments to 3 minutes or less.
- BOARD MEMBER RESPONSE TO CALL TO THE PUBLIC
- CONSENT AGENDA
 1. Accept Audit Report
 2. Receive the Township Manager Report
 3. Approve the November 12, 2019 Board of Trustees Meeting Minutes
 4. Approve Inclusion of Additional Planning Commissioner to the North Village Subcommittee
 5. Receive Correspondence
- ADOPT BALANCE OF AGENDA
- AGENDA ITEMS
 1. Update on Sewer Backups
 2. Ordinance 19-71: Amendment to *Prohibition of Marijuana Establishments Ordinance* to Extend Sunset Clause until December 21, 2019 to coincide with Marihuana Zoning Ordinance and Marihuana Permitting Ordinance effective dates - Action
 3. Review Draft Marihuana Business Permit Application and Procedures for Marihuana Business Permits – Action
 4. Receive and Consider Offers for Development of North Village - Action
 5. Receive and Consider Offers for Purchase of 75 Barker - Action
 6. Approve Renewal of Contract with *Assessment Administration Services* - Action
 7. Approve Contract with *Point & Pay* for Credit Card Processing Services - Action
 8. Consider Kiwanis request to have Zoning Compliance Application fee waived for Christmas Tree Sales - Action
 9. Approve the Creation and Distribution of an RFQ by the Township Manager for Legal Services – Action
 10. Approve Conditional Use for Whitmore Lake Climate Storage, LLC, 6684 Whitmore Lake Road, Whitmore Lake, MI 48189 to allow mini warehousing storage facilities under Article XXIII.I – Whitmore Lake/North Territorial Overlay District, Section 36-691 Land Uses and under Section 36-689 – Design standards. The parcel number is B-02-20-300-018 and is zoned LI-Limited Industrial District within the Whitmore Lake/North Territorial Overlay District.

* Denotes previous backup; + denotes no backup in packet

This notice is posted in compliance with PA 267 of 1976 as amended (Open Meetings Act) MCLA 41.72A (2) (3) and the Americans with Disabilities Act. (ADA) individuals with disabilities requiring auxiliary aids or services should contact the Northfield Township Office, (734-449-2880) seven days in advance.

➤ ANNOUNCEMENTS

➤ 2nd CALL TO THE PUBLIC - Any member of the public may address the Board at this time; however, this is not an opportunity for dialogue, or questions and answers. Please keep comments to 3 minutes or less.

➤ BOARD MEMBER COMMENTS

➤ ADJOURNMENT

* Denotes previous backup; + denotes no backup in package

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PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
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Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
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November 26, 2019

Northfield Township
Board of Trustees
8350 Main Street
Whitmore Lake, MI 48189

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of Northfield Township for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 31, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Northfield Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018/2019. We noted no transactions entered into by Northfield Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 26, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Northfield Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Township and management of Northfield Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

Northfield Township

Audit Presentation

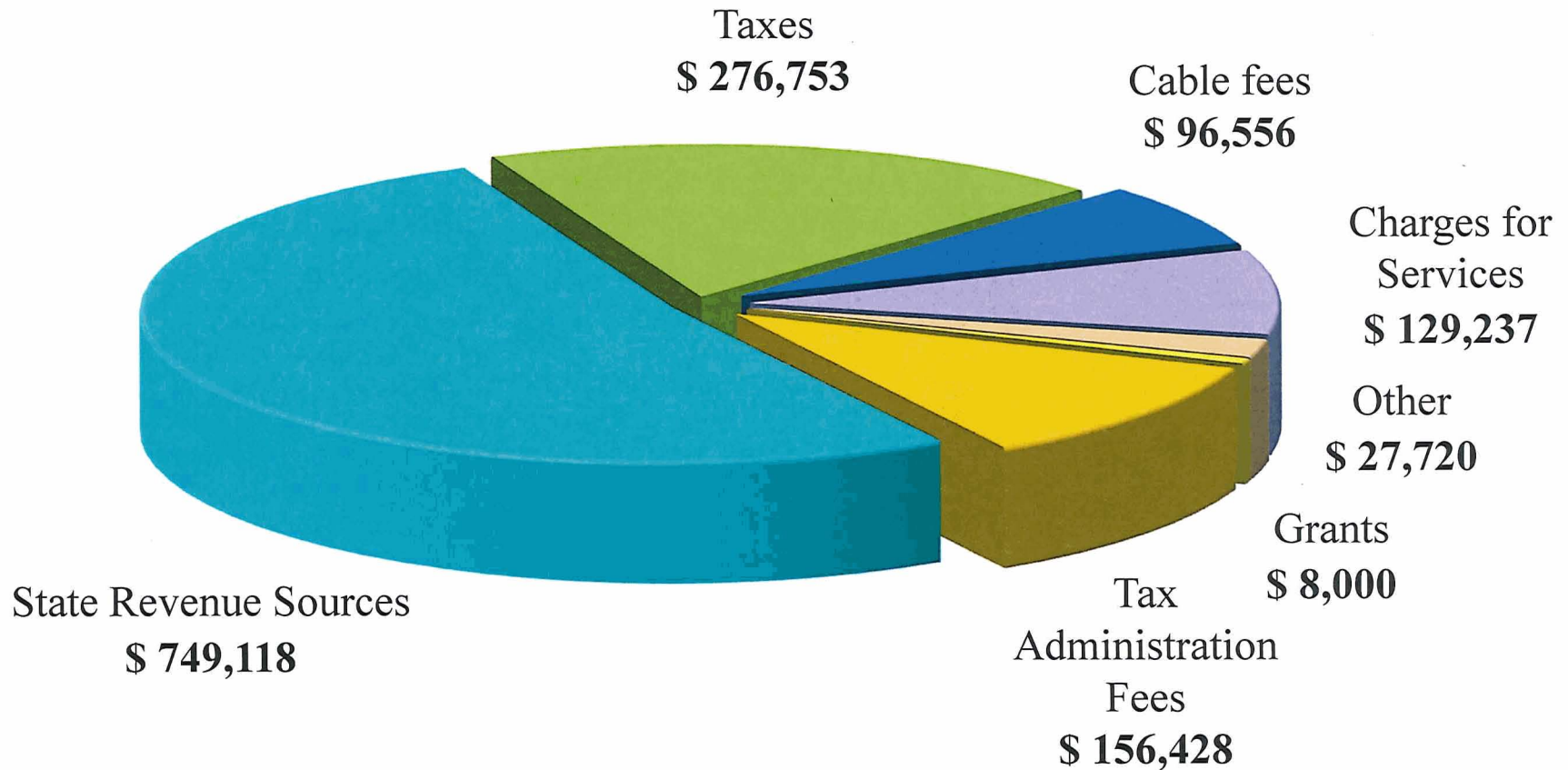
June 30, 2019



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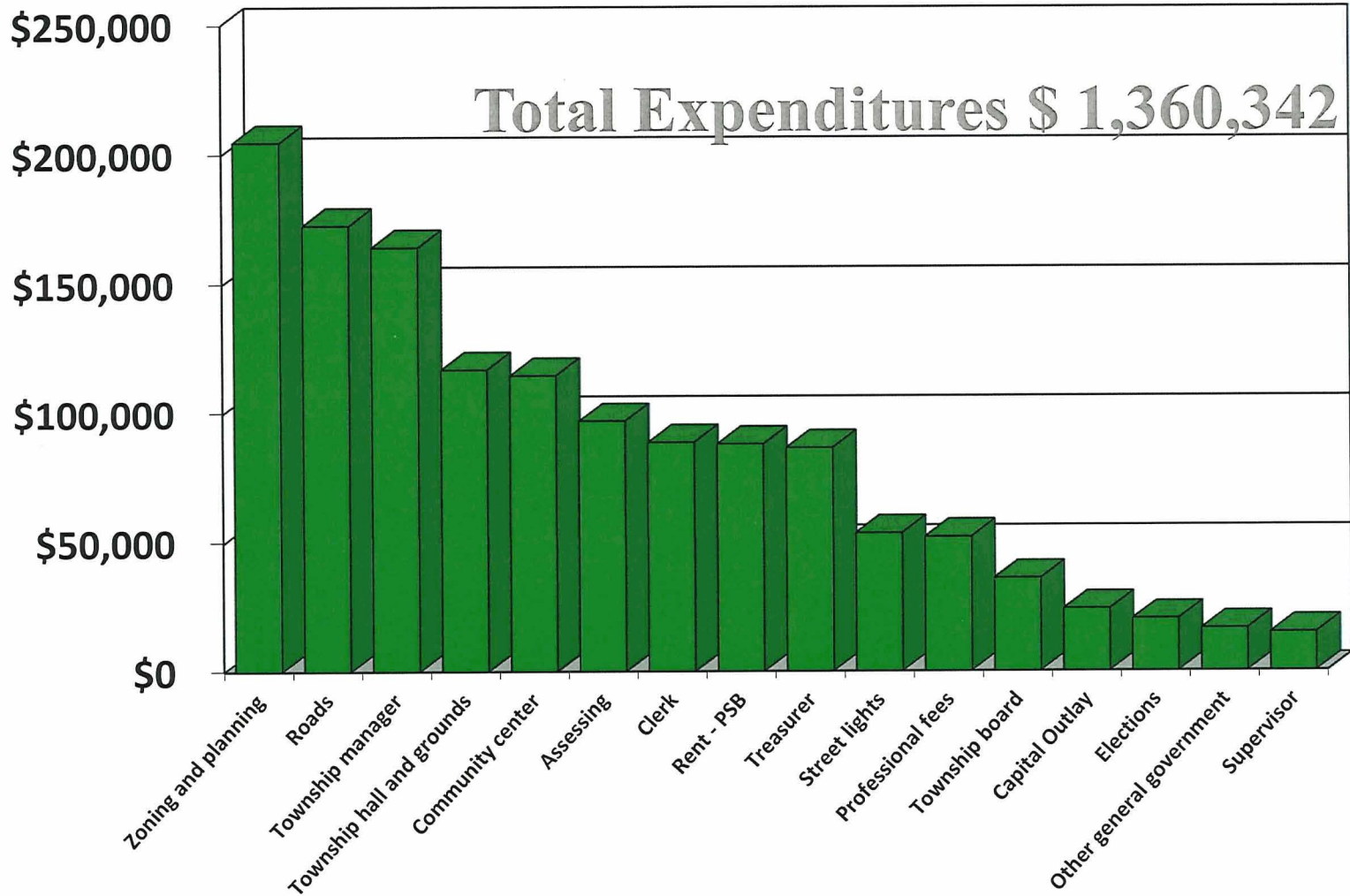
BRIGHTON, MICHIGAN

**Northfield Township
General Fund Revenues
For The Year Ended June 30, 2019**

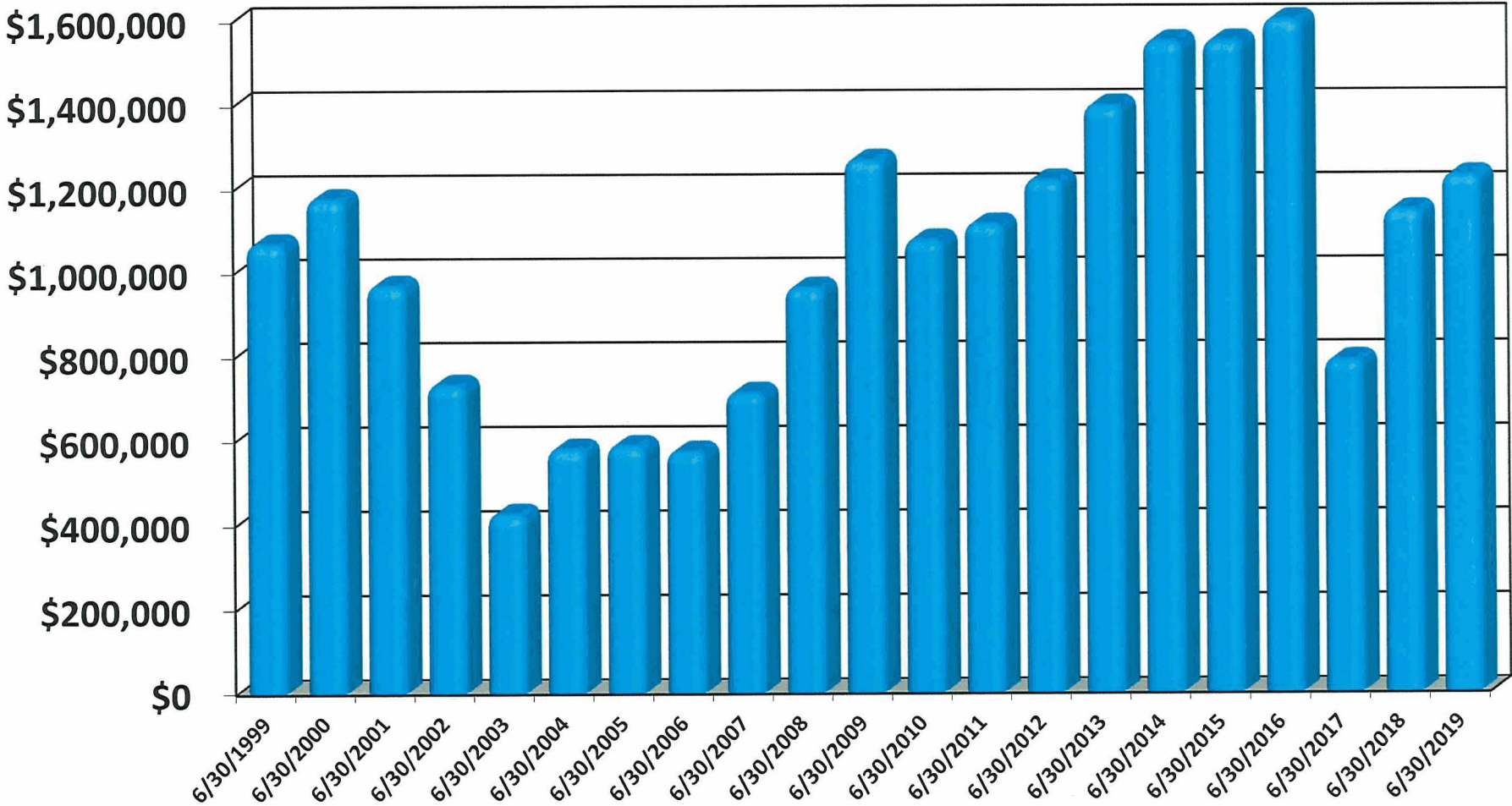


Total Revenues = \$ 1,443,812

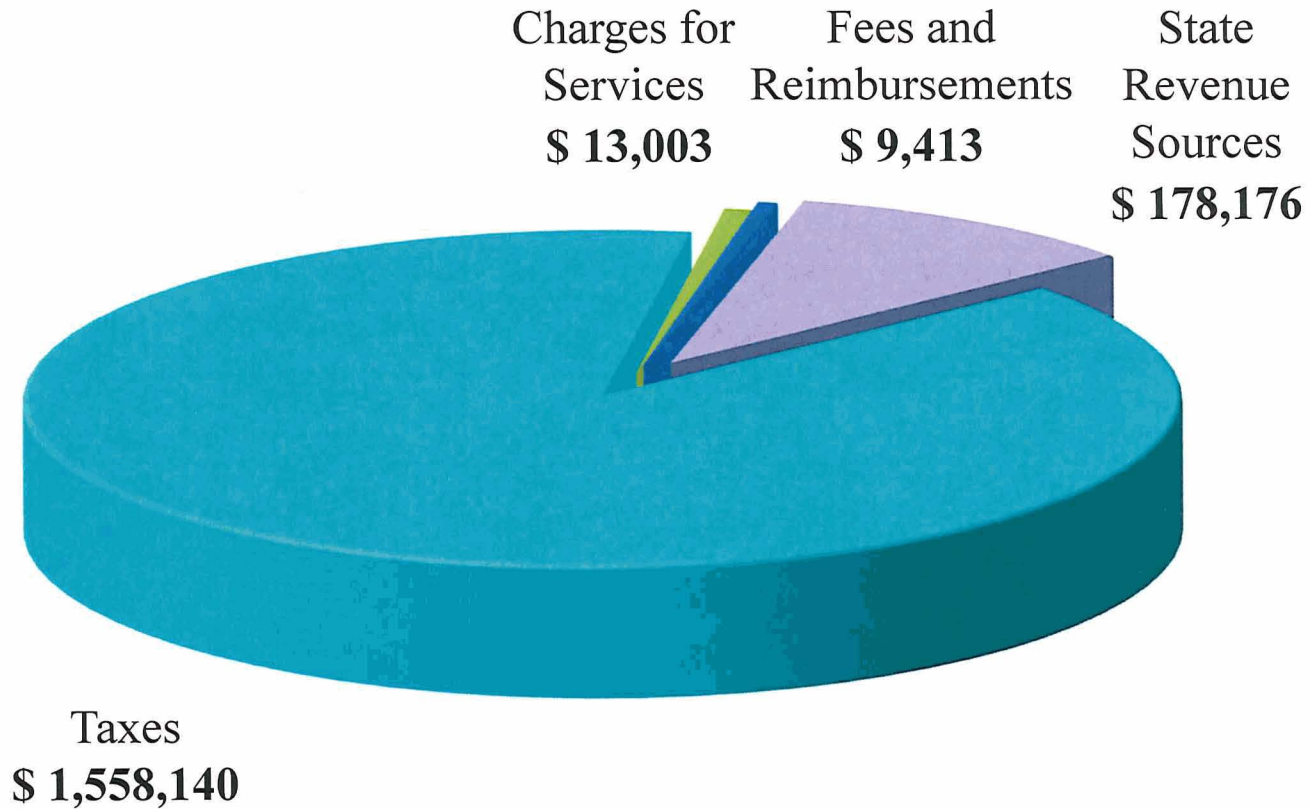
Northfield Township General Fund Expenditures For The Year Ended June 30, 2019



Northfield Township
General Fund
Fund Balance Comparison
June 30, 1999 - June 30, 2019

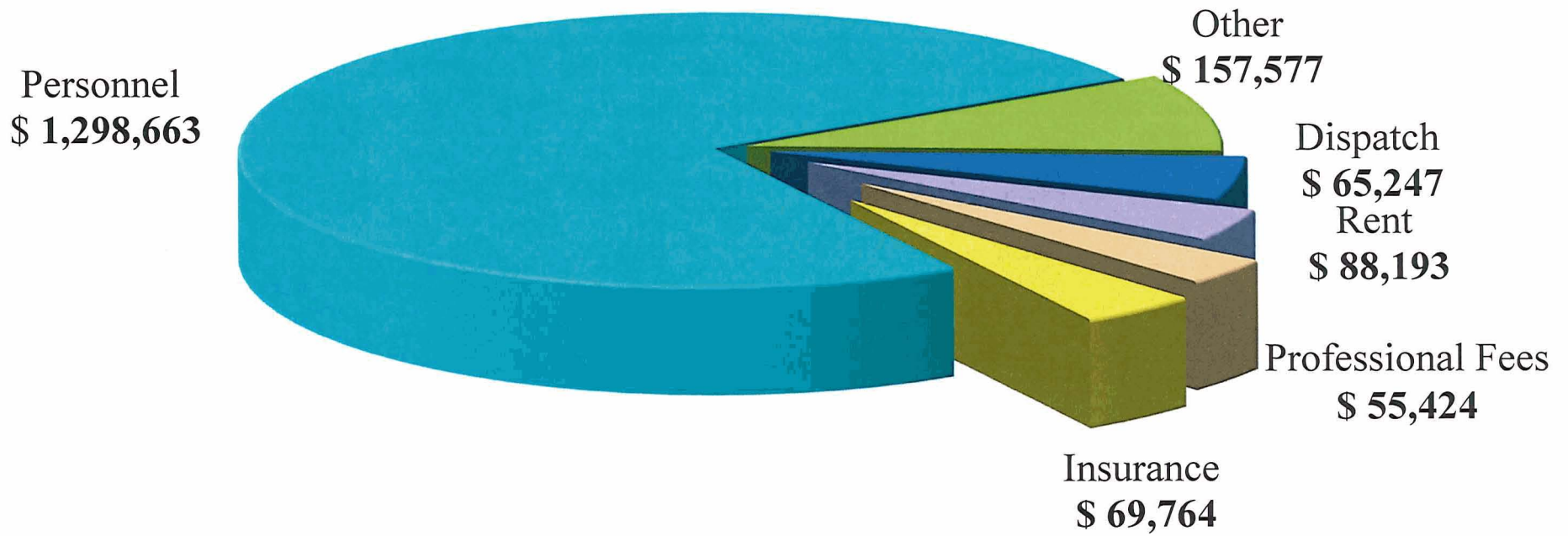


Northfield Township
Law Enforcement Fund Revenues
For The Year Ended June 30, 2019



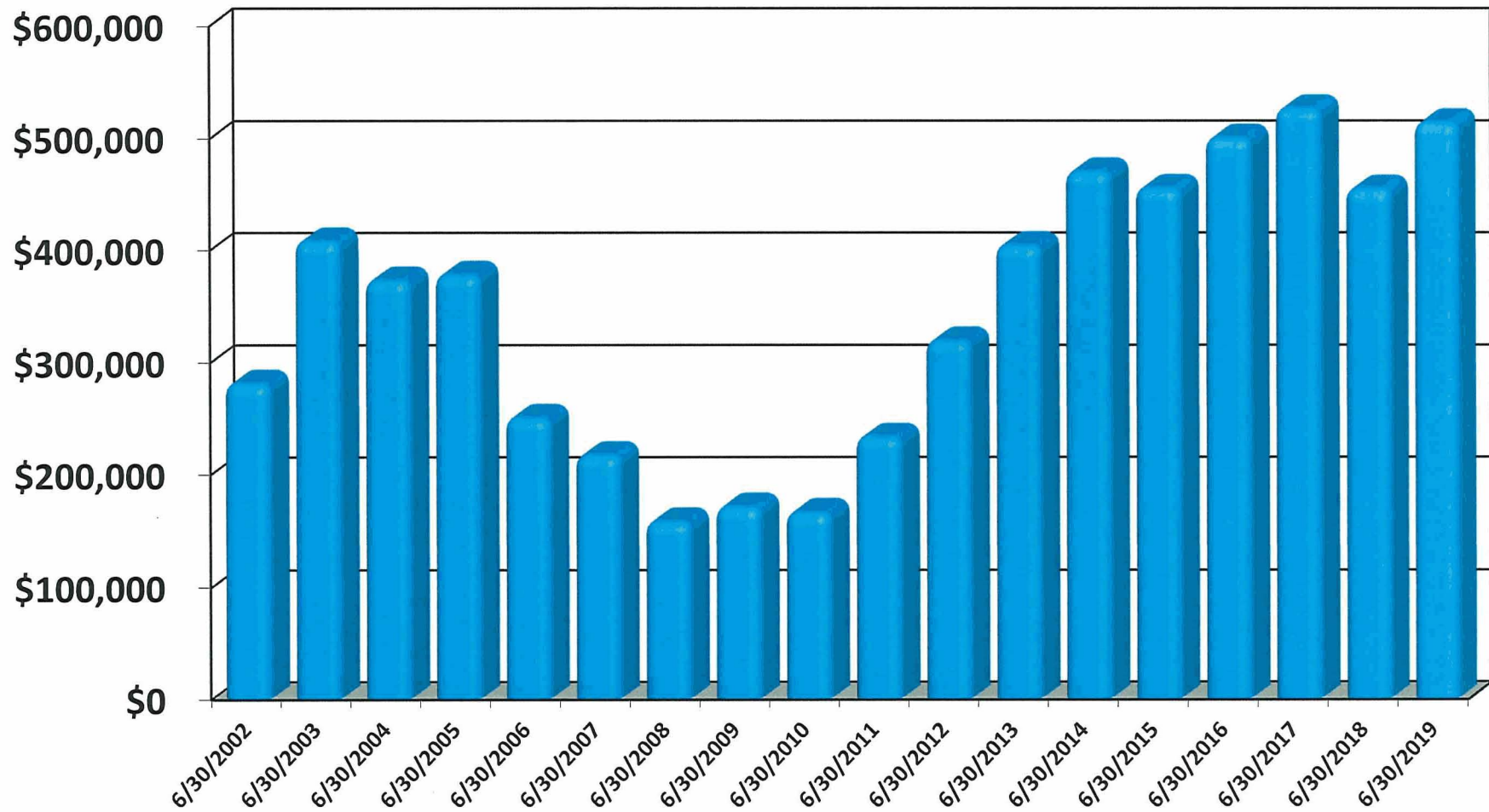
Total Revenues = \$ 1,758,732

**Northfield Township
Law Enforcement Fund Expenditures
For The Year Ended June 30, 2019**

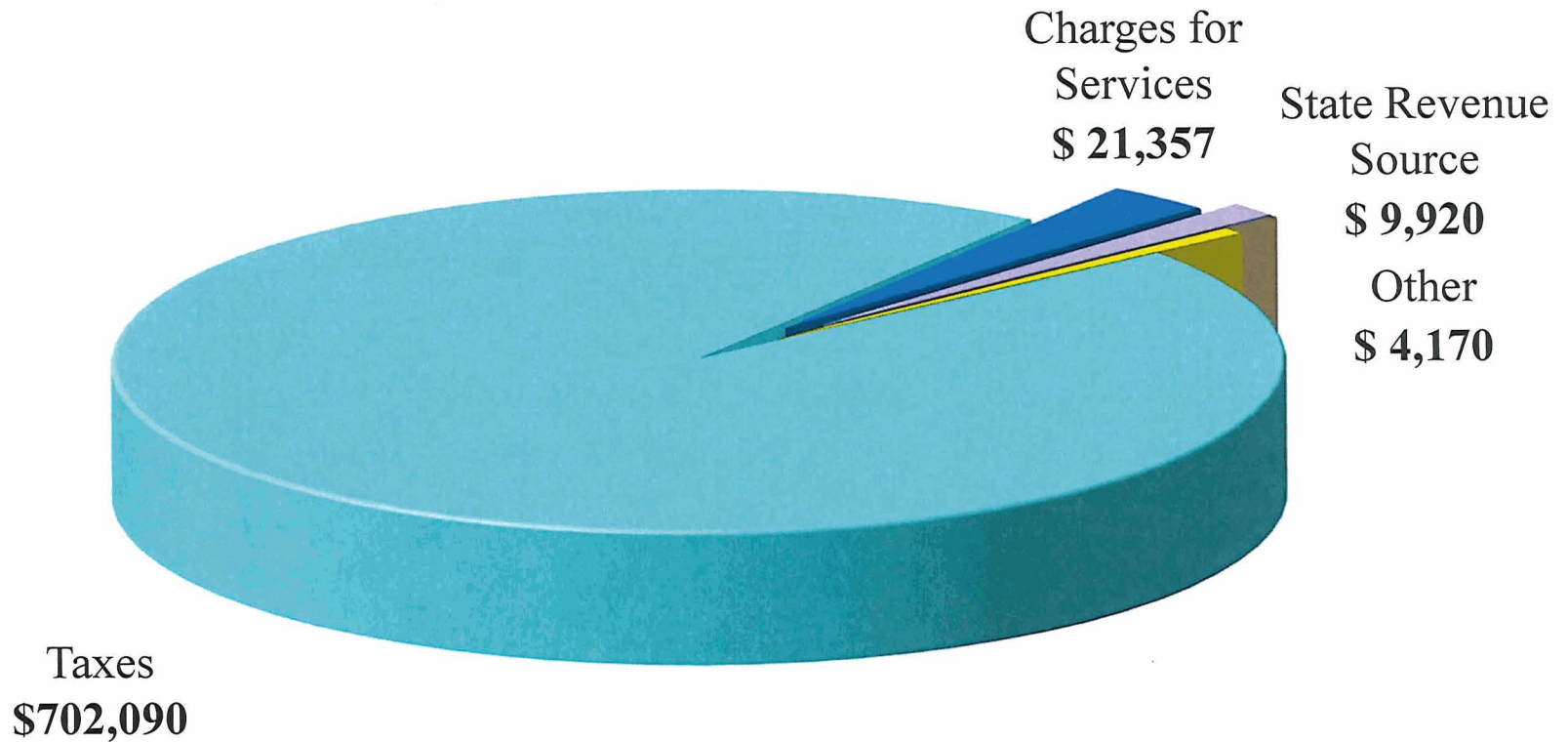


Total Expenditures = \$ 1,734,868

Northfield Township
Law Enforcement Fund
Fund Balance Comparison
June 30, 2002 - June 30, 2019

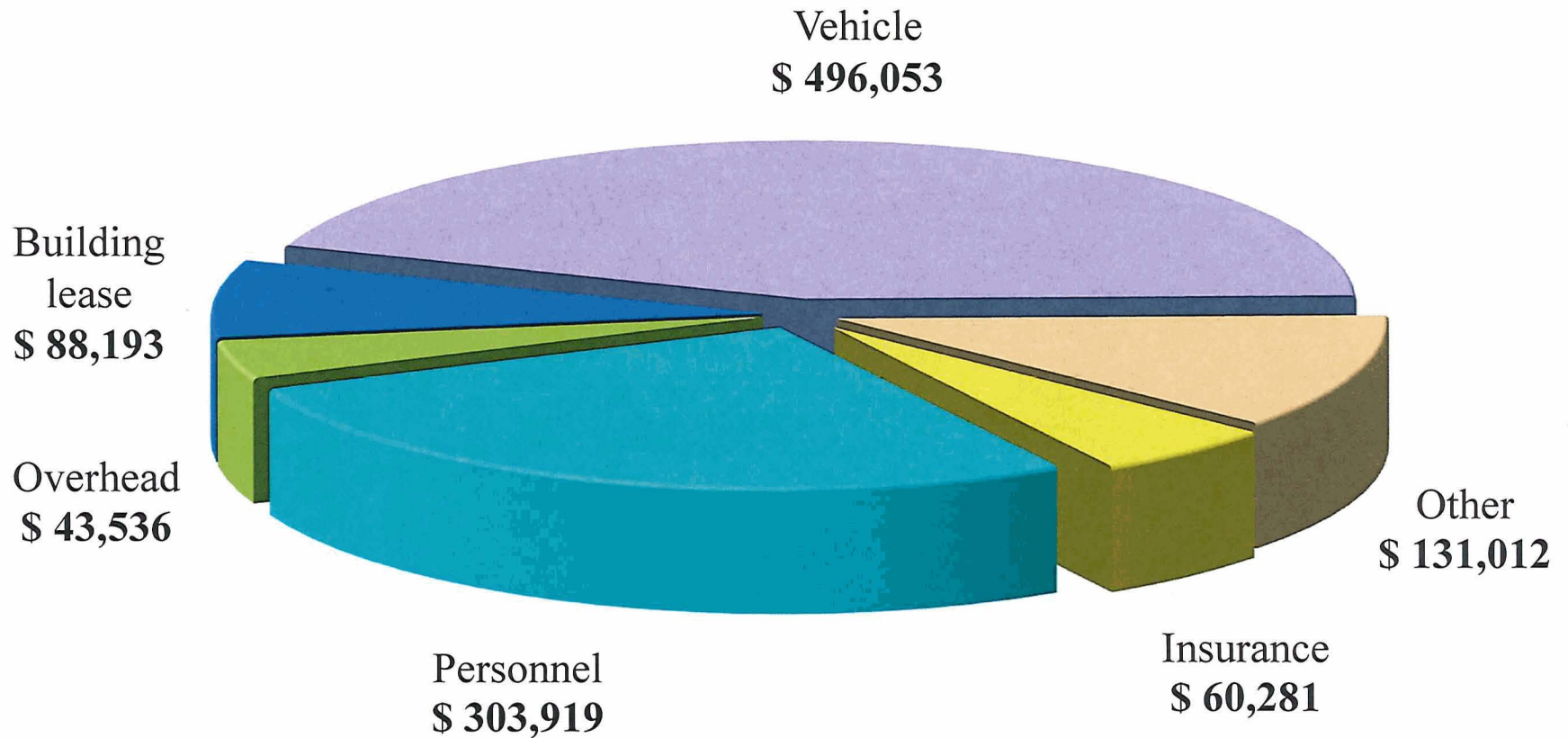


Northfield Township
Fire Fund Revenues
For The Year Ended June 30, 2019



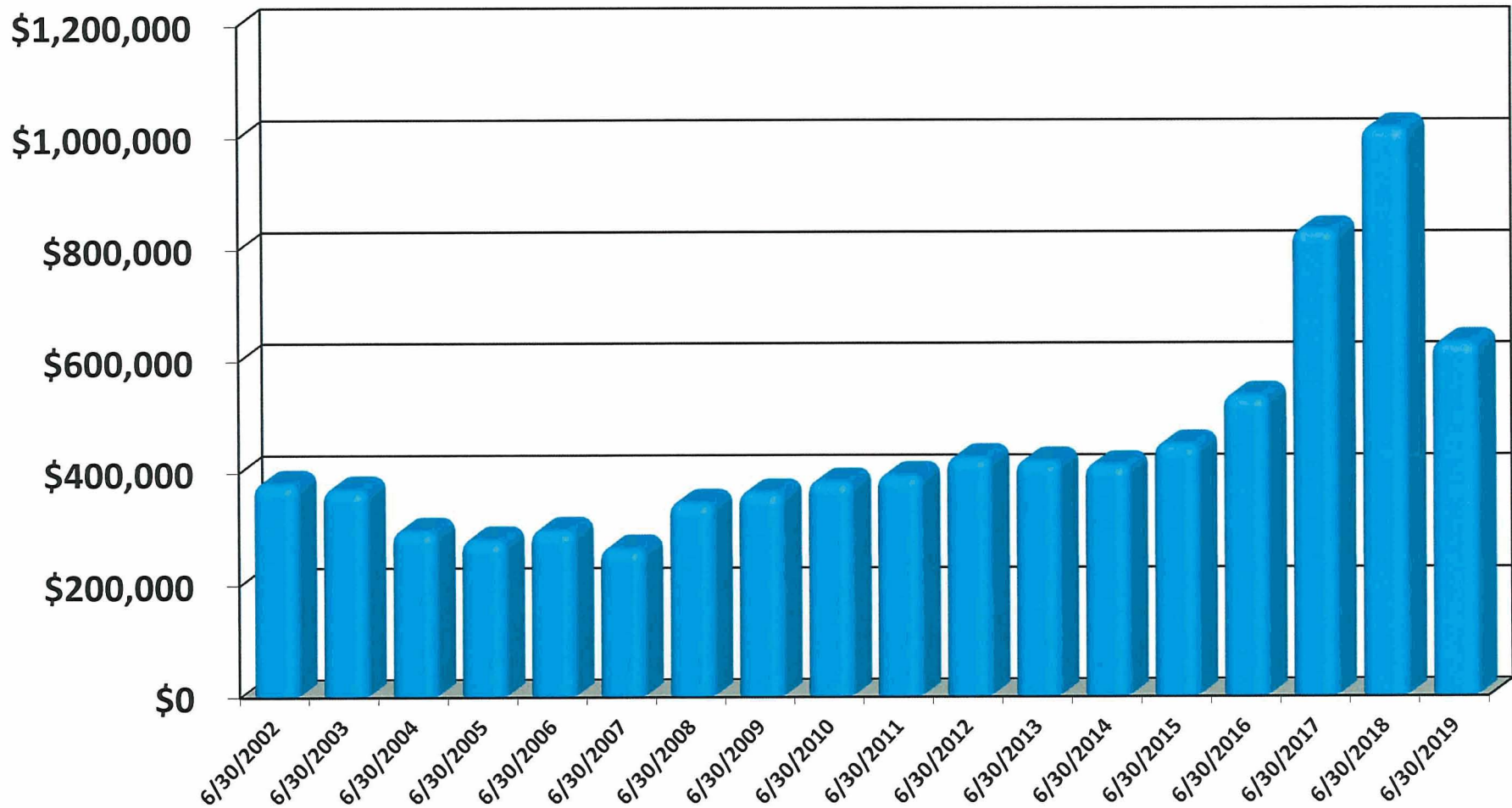
Total Revenues = \$ 737,537

Northfield Township
Fire Fund Expenditures
For The Year Ended June 30, 2019



Total Expenditures = \$ 1,122,994

Northfield Township
Fire Fund
Fund Balance Comparison
June 30, 2002 - June 30, 2019



Note : The fiscal year ending June 30, 2009 the Fire Protection and Medical Rescue funds were consolidated into one fund.

NORTHFIELD TOWNSHIP

Report on Audit of Financial Statements

For the Year Ended June 30, 2019

NORTHFIELD TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Marlene Chockley
Clerk - Kathy Manley
Treasurer - Lenore Zelenock

TOWNSHIP BOARD

Tawn Beliger
Janet Chick
Marlene Chockley
Wayne Dockett
Kathy Manley
Jacquelyn Otto
Lenore Zelenock

TOWNSHIP ATTORNEYS

Paul E. Burns

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

November 26, 2019

To the Board of Trustees
Northfield Township
8350 Main Street
Whitmore Lake, Michigan 48189

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, Michigan, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 - 12 and 50 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northfield Township, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis
June 30, 2019

Within this section of Northfield Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2019. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report as other supplementary information.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$20,073,646. This is a \$704,334 increase over last year's net position of \$19,369,312. This increase is typical for the Township.

The following tables provide a summary of the Township's financial activities and changes in net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Assets						
Current and other assets	\$ 3,206,822	\$ 3,270,670	\$ 4,249,260	\$ 3,879,663	\$ 7,456,082	\$ 7,150,333
Capital assets	7,517,632	7,375,486	8,340,968	8,631,991	15,858,600	16,007,477
Total assets	<u>10,724,454</u>	<u>10,646,156</u>	<u>12,590,228</u>	<u>12,511,654</u>	<u>23,314,682</u>	<u>23,157,810</u>
Deferred outflows of resources						
Pension	<u>222,792</u>	<u>73,062</u>			<u>222,792</u>	<u>73,062</u>
Liabilities						
Other liabilities	846,379	750,271	177,400	170,611	1,023,779	920,882
Long-term liabilities	1,488,088	1,848,662	883,902	997,498	2,371,990	2,846,160
Total liabilities	<u>2,334,467</u>	<u>2,598,933</u>	<u>1,061,302</u>	<u>1,168,109</u>	<u>3,395,769</u>	<u>3,767,042</u>
Deferred inflows of resources						
Pension	<u>68,059</u>	<u>94,518</u>			<u>68,059</u>	<u>94,518</u>
Net position:						
Invested in capital assets, net of debt	5,785,130	7,520,897	7,343,470	7,520,897	13,128,600	15,041,794
Restricted	1,593,309	1,866,880	1,952,214	2,023,518	3,545,523	3,890,398
Unrestricted	1,166,281	(1,362,010)	2,233,242	1,799,130	3,399,523	437,120
Total net position	<u>\$ 8,544,720</u>	<u>\$ 8,025,767</u>	<u>\$ 11,528,926</u>	<u>\$ 11,343,545</u>	<u>\$ 20,073,646</u>	<u>\$ 19,369,312</u>

Summary of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenues:						
Program revenues:						
Charges for services	\$ 433,445	\$ 394,381	\$ 1,462,268	\$ 1,340,524	\$ 1,895,713	\$ 1,734,905
Operating grants and contributions	8,000	273,212			8,000	273,212
Capital grants and contributions	505	150		25,019	505	25,169
General revenues:						
State revenues	785,117	734,891			785,117	734,891
Public safety mileage reimbursement	156,162				156,162	
Property taxes	2,806,054	2,744,711			2,806,054	2,744,711
Interest	9,424	10,245	58,156	67,197	67,580	77,442
Other	585,089	617,279	2,324	124,252	587,413	741,531
Gain on sale of assets		46,933	(13,001)		(13,001)	46,933
Total revenues	<u>4,783,796</u>	<u>4,821,802</u>	<u>1,509,747</u>	<u>1,556,992</u>	<u>6,293,543</u>	<u>6,378,794</u>
Expenses						
General government	1,257,034	994,316			1,257,034	994,316
Fire protection	715,469	683,441			715,469	683,441
Police protection	1,832,880	1,810,044			1,832,880	1,810,044
Community center/community development	180,177	170,954			180,177	170,954
Public works/roads	227,255	289,557			227,255	289,557
Interest on long-term debt	52,028	63,492			52,028	63,492
Sewer system			1,324,366	1,162,944	1,324,366	1,162,944
Total expenses	<u>4,264,843</u>	<u>4,011,804</u>	<u>1,324,366</u>	<u>1,162,944</u>	<u>5,589,209</u>	<u>5,174,748</u>
Changes in net position	518,953	809,998	185,381	394,048	704,334	1,204,046
Beginning net position	<u>8,025,767</u>	<u>7,215,769</u>	<u>11,343,545</u>	<u>10,949,497</u>	<u>19,369,312</u>	<u>18,165,266</u>
Ending net position	<u>\$ 8,544,720</u>	<u>\$ 8,025,767</u>	<u>\$ 11,528,926</u>	<u>\$ 11,343,545</u>	<u>\$ 20,073,646</u>	<u>\$ 19,369,312</u>

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$83,470. General Fund income decreased by \$159,302 over the previous year, due mostly to the prior year receipt of the Connecting Communities Grant, which reimbursed the Township for work on the Non-Motorized Path which had been completed in 2017. General Fund expenditures increased by \$113,772 over the previous fiscal year due to additional planner fees in relation to the North Village Project, master plan revisions and increased planning applications. There was also an increase in Capital Outlay expenditures to make improvement to the Community Center roof.

The other major governmental funds of the Township are the Law Enforcement Fund and Fire Fund.

The expenditures exceed revenue for the Fire Fund in the amount of \$385,457. This is mostly due to the purchase of a new fire truck, totaling \$484,295. The Fire Fund saw a decrease in grant income and grant expense in 2019 due to changes with the FEMA grant program.

The Law Enforcement Fund had revenues over expenditures of \$59,337 due mostly to higher than expected personnel costs. The Law Enforcement Fund saw increases in taxes and local stabilization reimbursement, as well as the addition of the new Community Mental Health and Public Safety millage, which brought in an additional \$156,162 of revenue.

The Township's sole proprietary fund, the Sewage Disposal System Fund, reported a net gain of \$185,380. This is a decrease from the prior year net gain, as the prior year included grant income that did not recur in 2019. There also was no revenue from tap-in fees, which accounted for \$25,019 in the prior year. However, due to rate increases, usage fees saw an increase of \$121,744. Expenditures increased due to grant expenditures for the SAW Grant, which will be reimbursed in the next fiscal year.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total actual expenditures were more than budgeted appropriations in a couple of activities. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality.

Capital Asset and Debt Administration

The governmental funds purchased \$497,633 of capital assets. Acquisitions included:

\$	8,303	Land
	489,330	Fire Equipment

The business-type funds purchased dry pit pumps, process valves and three remote electromagnetic flow meters for \$61,517. A dry pit sewage pump was disposed of in the current year and resulted in a recorded loss on disposal of \$13,001.

The governmental funds made debt payments of \$481,404 during the year reducing the total outstanding debt to \$1,732,502.

The business-type funds made debt payments of \$113,596 during the year making the total outstanding \$997,498.

Economic Conditions and Future Activities

After several years of fluctuations in State Revenues sources, the Township saw an increase this year. The Township also received several grants this year. Management is hopeful taxable values continue to increase as they have this year.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Northfield Township at 8350 Main Street, Whitmore Lake, MI 48189.

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,843,272	\$ 1,936,009	\$ 4,779,281
Cash and investments - restricted		1,312,209	1,312,209
Receivables			
Taxes	16,601		16,601
State shared revenues	146,893		146,893
Accounts	28,952	425,668	454,620
Interest		5,982	5,982
Special assessments - restricted		640,005	640,005
Prepaid expenses	73,830	946	74,776
Intergovernmental	71,559	(71,559)	
Land contract receivable			
Current	3,214		3,214
Non-current	22,501		22,501
Capital assets, not being depreciated			
Non-depreciated	861,534	226,918	1,088,452
Depreciated, net	6,656,098	8,114,050	14,770,148
Total assets	<u>10,724,454</u>	<u>12,590,228</u>	<u>23,314,682</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension activities	<u>222,792</u>		<u>222,792</u>
LIABILITIES			
Accounts payable	114,054	27,887	141,941
Accrued compensated absences	244,024	35,917	279,941
Due to others	6,897		6,897
Net pension liability	236,990		236,990
Long term obligations			
Due within one year	481,404	113,596	595,000
Due beyond one year	1,251,098	883,902	2,135,000
Total liabilities	<u>2,334,467</u>	<u>1,061,302</u>	<u>3,395,769</u>
DEFERRED INFLOW OF RESOURCES			
Pension expense	<u>68,059</u>		<u>68,059</u>
NET POSITION			
Invested in capital assets, net of related debt	5,785,130	7,343,470	13,128,600
Restricted	1,593,309	1,952,214	3,545,523
Unrestricted	1,166,281	2,233,242	3,399,523
Total net position	<u>\$ 8,544,720</u>	<u>\$ 11,528,926</u>	<u>\$ 20,073,646</u>

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Operating		Capital Contributions	Governmental Activities	Business-type Activities	Total
		Charges for Services	Grants and Contributions				
GOVERNMENTAL ACTIVITIES							
General government	\$ (1,257,034)	\$ 395,575	\$ 8,000	\$	\$ (853,459)	\$	\$ (853,459)
Fire protection	(715,469)	24,867	.	505	(690,097)		(690,097)
Police protection	(1,832,880)	13,003			(1,819,877)		(1,819,877)
Community center/recreation	(180,177)				(180,177)		(180,177)
Public works/roads	(227,255)				(227,255)		(227,255)
Interest on long-term debt	(52,028)				(52,028)		(52,028)
Total governmental activities	(4,264,843)	433,445	8,000	505	(3,822,893)		(3,822,893)
BUSINESS-TYPE ACTIVITIES							
Sewer system	(1,324,366)	1,462,268				137,902	137,902
Total	\$ (5,589,209)	\$ 1,895,713	\$ 8,000	\$ 505	(3,822,893)	137,902	(3,684,991)
General revenues							
Property taxes					2,806,054		2,806,054
State revenue sources					785,117		785,117
Public safety mileage reimbursement					156,162		156,162
Interest income - cash and equivalents					9,424	14,276	23,700
Interest income - special assessments						43,880	43,880
Franchise fees					96,556		96,556
Rental income					331,628		331,628
Fines and forfeitures					130,466		130,466
Other income					26,439	2,324	28,763
Gain (loss) on sale of assets						(13,001)	(13,001)
Total general revenues					4,341,846	47,479	4,389,325
Changes in net position					518,953	185,381	704,334
Net position, July 1, 2018					8,025,767	11,343,545	19,369,312
Net position, June 30, 2019					\$ 8,544,720	\$ 11,528,926	\$ 20,073,646

The notes of the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Law Enforcement Fund	Fire Fund	Nonmajor Funds	Totals
ASSETS					
Cash and investments	\$ 815,018	\$ 587,768	\$ 700,271	\$ 740,215	\$ 2,843,272
Receivables					
Taxes receivable	2,549	8,656	3,873	1,523	16,601
State shared revenues	146,893				146,893
Accounts	14,274	529			14,803
Library	25,715				25,715
Due from other funds	241,727	35,000		7,717	284,444
Prepaid expenditures	73,629	26	175		73,830
Total assets	\$ 1,319,805	\$ 631,979	\$ 704,319	\$ 749,455	\$ 3,405,558
LIABILITIES					
Accounts payable	\$ 61,468	\$ 12,148	\$ 11,768	\$ 9,762	\$ 95,146
Accrued compensated absences	3,184	21,736	2,796		27,716
Due to other funds	18,981	84,278	58,759	55,626	217,644
Due to others	6,813		84		6,897
Total liabilities	90,446	118,162	73,407	65,388	347,403
FUND BALANCE					
Nonspendable - prepaid items	73,629	26	175		73,830
Nonspendable - library receivable	25,715				25,715
Restricted - fire			630,737		630,737
Restricted - law enforcement		513,791		417,118	930,909
Restricted - community development				31,663	31,663
Committed - public safety building				27,719	27,719
Committed - building department				86,222	86,222
Committed - public safety				33,962	33,962
Assigned for future budget deficit	49,333			87,383	136,716
Unassigned	1,080,682				1,080,682
Total fund balances	1,229,359	513,817	630,912	684,067	3,058,155
Total liabilities and fund balances	\$ 1,319,805	\$ 631,979	\$ 704,319	\$ 749,455	\$ 3,405,558

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019**

Total fund balance per balance sheet	\$ 3,058,155
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>	
Historical cost	\$ 12,697,009
Accumulated depreciation	<u>(5,179,377)</u>
Capital assets net of accumulated depreciation	7,517,632
<p>Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows of resources in the Statement of Net Position.</p>	
Investments deficient (in excess) of projections	158,127
Differences in actuarial assumptions	36,032
Differences in actuarial experience to actual	(68,059)
Contributions subsequent to measurement date	<u>28,633</u>
Deferred outflows of resources related to pension activities	154,733
<p>Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements.</p>	
Net pension liability	(236,990)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>	
Long-term debt	(1,732,502)
Compensated absences	<u>(216,308)</u>
Total	<u>(1,948,810)</u>
Net position of governmental activities	<u><u>\$ 8,544,720</u></u>

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Law Enforcement Fund	Fire Fund	Nonmajor Funds	Total
REVENUES					
Taxes	\$ 276,753	\$ 1,558,140	\$ 702,090	\$ 269,071	\$ 2,806,054
Grant	8,000				8,000
State revenues	749,118	22,014	9,920	4,065	785,117
Public safety mileage reimbursement		156,162			156,162
Licenses and permits		3,510		107,135	110,645
Contributions			505		505
Rental income				462,235	462,235
Franchise fees	96,556				96,556
Charges for services	285,665	13,003	21,357	2,775	322,800
Fines and forfeitures		3,096		127,370	130,466
Interest	5,132	473	3,425	394	9,424
Other income	22,588	2,807	240	804	26,439
Total revenues	1,443,812	1,759,205	737,537	973,849	4,914,403
EXPENDITURES					
Current:					
General government	1,010,753			265,302	1,276,055
Fire rescue			633,664		633,664
Police protection		1,734,868		37,896	1,772,764
Community center	114,798				114,798
Roads	172,656				172,656
Public works	53,832			767	54,599
Capital outlay:					
General government	8,303				8,303
Fire protection			489,330		489,330
Debt service:					
Principal				481,404	481,404
Interest/fees				52,028	52,028
Total expenditures	1,360,342	1,734,868	1,122,994	837,397	5,055,601
Excess of revenues over (under) expenditures	83,470	24,337	(385,457)	136,452	(141,198)

NORTHFIELD TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - continued
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Law Enforcement Fund	Fire Fund	Nonmajor Funds	Total
OTHER FINANCING SOURCES (USES)					
Transfers in		35,000			35,000
Transfers (out)				(35,000)	(35,000)
Total other financing sources (uses)		35,000		(35,000)	
Net changes in fund balances	83,470	59,337	(385,457)	101,452	(141,198)
FUND BALANCE, JULY 1, 2018	1,145,889	454,480	1,016,369	582,615	3,199,353
FUND BALANCE, JUNE 30, 2019	<u>\$ 1,229,359</u>	<u>\$ 513,817</u>	<u>\$ 630,912</u>	<u>\$ 684,067</u>	<u>\$ 3,058,155</u>

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Net change in fund balances - governmental funds \$ (141,198)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlay exceeded depreciation and losses on disposal is as follows:

Capital outlay	\$ 497,633	
Depreciation expense	(355,487)	

Total		142,146
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Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds.

Pension expense		55,359
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Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of:		
Bonds/contracts payable		481,404

Accrued absences for vacation for the employees is recorded on the Statement of Net Assets		(18,758)
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Change in net position of governmental activities		\$ 518,953
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The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019**

	Sewage Disposal System Fund	
CURRENT ASSETS		
Cash	\$ 1,436,143	
Investments	499,866	
Sewer billings receivable	402,410	
Interest receivable	5,982	
Due from other funds	3,441	
Prepaid expenses	946	
Due from others	388	
Other receivables	22,870	
Total current assets		\$ 2,372,046
RESTRICTED ASSETS		
Cash	1,312,209	
Special assessments receivable - capital and debt	640,005	
Total restricted assets		1,952,214
PLANT, PROPERTY AND EQUIPMENT		
Non-depreciated	226,918	
Depreciated, net	8,114,050	
Net plant, property, and equipment		8,340,968
Total assets		12,665,228
CURRENT LIABILITIES		
Accounts payable	27,887	
Accrued compensated absences	35,917	
Due to other funds	75,000	
Bonds payable - current portion	113,596	
Total current liabilities		252,400
LONG-TERM LIABILITIES		
Bonds payable - less current portion		883,902
Total liabilities		1,136,302
NET POSITION		
Invested in capital assets, net of related debt	7,343,470	
Restricted for capital and debt	1,952,214	
Unrestricted	2,233,242	
Total net position		\$ 11,528,926

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

		<u>Sewage Disposal System Fund</u>
OPERATING REVENUES		
User charges		\$ 1,462,268
OPERATING EXPENSES		
Salaries and wages	\$ 279,945	
Employee benefits/payroll taxes	112,525	
Depreciation	339,539	
Other operating expenses	<u>556,217</u>	
Total operating expenses		<u>1,288,226</u>
Operating income		174,042
NON-OPERATING REVENUES AND (EXPENSES)		
Interest income - cash and cash equivalents	14,276	
Interest income - special assessments	43,880	
Other revenues	2,324	
Interest expense	(35,640)	
Loss on sale of asset	(13,001)	
Bond fees	<u>(500)</u>	
Total non-operating revenues and (expenses)		<u>11,339</u>
Change in net position		185,381
NET POSITION, JULY 1, 2018		<u>11,343,545</u>
NET POSITION, JUNE 30, 2019		<u><u>\$ 11,528,926</u></u>

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**STATEMENT OF CASH FLOWS
SEWAGE DISPOSAL SYSTEM FUND
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,425,363	
Cash payments to employees	(293,959)	
Cash payments to suppliers of goods and services	<u>(573,152)</u>	
Net cash provided by operating activities		\$ 558,252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Loss on disposal of asset	(13,001)	
Special assessments and interest received	254,369	
Other revenue (expense)	2,324	
Acquisition of capital assets	(61,517)	
Repayment of principal on bonds/contracts	(149,737)	
Investment activity	<u>69,969</u>	
Net cash (used in) capital and related financing activities		102,407
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and cash equivalents		<u>17,238</u>
Net increase in cash and cash equivalents		677,897
CASH AND CASH EQUIVALENTS AT, JULY 1, 2018		<u>2,070,455</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2019		<u><u>\$ 2,748,352</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income		\$ 174,042
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation	\$ 339,539	
Change in assets and liabilities:		
(Increase) decrease in receivables	(37,293)	
(Increase) decrease in prepaid expenses	(16)	
Increase (decrease) in accounts payable/accrued compensated absences	6,789	
Increase (decrease) in due to other funds	<u>75,191</u>	
Total adjustments		<u>384,210</u>
Net cash provided by operating activities		<u><u>\$ 558,252</u></u>

The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP

**STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 89,554
Due from others	98,540
Due from other funds	<u>18,908</u>
Total assets	<u><u>\$ 207,002</u></u>
LIABILITIES	
Due to other funds	\$ 14,149
Cash overdraft	69,685
Due to others	<u>123,168</u>
Total liabilities	<u><u>\$ 207,002</u></u>

The notes of the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net positions are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Law Enforcement Fund accounts for all the activity associated with providing police protection services. This fund is primarily supported through the collection of property taxes.

The Fire Fund accounts for all the activity associated with providing fire and medical rescue services. This fund is primarily supported through the collection of property taxes.

The Township reports the following major enterprise fund:

The Sewage Disposal System Fund accounts for all the activity associated with the operations and maintenance of a sewage treatment system.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source. The former being a decrease in fund balances and the later being an increase in fund balances.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total proprietary funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the proprietary funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Proprietary funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, proprietary funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains three agency funds. One accounts for the collection and disbursement of property taxes, another is a clearing account for payroll transactions and the final one accounts for monies held in escrow for certain development projects.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered a capital asset regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. BUDGETARY DATA

The Board of Trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The Township manager and the supervisor prepare the annual budget with information received from the controller and department heads. The proposed budget is then submitted for discussion and approved by the entire Township Board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township Board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2019, expenditures exceeded appropriations in several departments in the General Fund and the Law Enforcement Fund.

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the Township for these property taxes. The 2018 adjusted taxable value of the Township totaled \$352,661,290. The Township levied the following millages during the current fiscal year ended June 30, 2019:

General operating	0.7832
Fire	1.9868
Police	4.4092
Public safety building	<u>0.7618</u>
Total millage	<u>7.9410</u>

G. OTHER FINANCING SOURCES (USES)

The transfers of cash between the various funds are budgeted but reported separate from revenues and expenditures as transfers in or (out) unless they represent temporary advances that are to be repaid, in which case they are carried as assets or liabilities of the advancing or borrowing fund.

H. INVESTMENTS

Investments are stated at market value.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. CASH AND INVESTMENTS

Cash and investments include amounts in demand deposits and time deposits, including both negotiable and non-negotiable certificates of deposit.

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

L. RECEIVABLES

When necessary the Township utilizes an allowance for uncollectable accounts to value its receivables. The Township considers all of its trade and special assessment receivables to be collectable.

M. EQUITY

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, contributors, by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Township Board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Township Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

When both restricted and unrestricted fund balances are available for use, it is the Township policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as restricted when constraints placed on net positions are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Under GASB standards the Township will report two sections in the Statement of Net Position (Government-Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow (previously called assets).

These separate financial statement elements which meet the definition of deferred outflow are no longer considered assets.

Deferred outflow of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met.

For the year ended June 30, 2019 the Township records deferred outflow of resources relating to pension differences in expected investment returns compared to actual, changes in experience, and changes in actuarial assumptions. In addition, the Township records deferred outflow of resources for pension contributions made subsequent to Net Pension Liability measurement date of December 31, 2018.

In addition to liabilities, the Statement of Net Position and governmental fund balance sheet will report a separate section for deferred inflow of resources. Deferred inflow of resources represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflow/(inflow) of resources related to pension activities as of June 30, 2019 are as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences in experience	\$	\$ (68,059)
Differences in actuarial assumptions	36,032	
Differences in investment expectations versus actual	158,127	
Contributions made subsequent to pension liability measurement date	28,633	
Totals	<u>\$ 222,792</u>	<u>\$ (68,059)</u>

O. DEFINED PENSION BENEFIT PLAN

For purposes of measuring the Net Pension Liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 39, certain other governmental organizations are considered to be part of the reporting entity for financial statement purposes.

The criteria established by GASB Statement No. 39 for various governmental organizations to be included in the reporting entity's financial statements include accountability, control, and significant financial relationships.

The accompanying financial statements of Northfield Township as of June 30, 2019, include any and all boards, agencies, funds and account groups under the jurisdiction of the Northfield Township Board.

NOTE 3 - LAND CONTRACT RECEIVABLE - NORTHFIELD TOWNSHIP AREA LIBRARY

On May 15, 1989, the Township entered into a land contract with the Northfield Township Library Board for the purchase of property commonly known as the "Dodge House". This transaction, which represents monies expended from the Northfield Township general fund, was in the original amount of \$112,500, and is to be amortized over thirty-five (35) years, without interest. Annual installments of \$3,214 started on February 22, 1993. The total outstanding balance at June 30, 2019 was \$25,715.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2019 was as follows:

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 853,231	\$ 8,303	\$	\$ 861,534
Capital assets being depreciated:				
Buildings	9,071,508			9,071,508
Equipment	<u>2,274,637</u>	<u>489,330</u>		<u>2,763,967</u>
Total cost	<u>11,346,145</u>	<u>489,330</u>		<u>11,835,475</u>
Less accumulated depreciation for:				
Buildings	(2,854,634)	(221,939)		(3,076,573)
Equipment	<u>(1,969,256)</u>	<u>(133,548)</u>		<u>(2,102,804)</u>
Total accumulated depreciation	<u>(4,823,890)</u>	<u>(355,487)</u>		<u>(5,179,377)</u>
Capital assets being depreciated, net	<u>6,522,255</u>	<u>133,843</u>		<u>6,656,098</u>
Governmental activities capital assets, net	<u>\$ 7,375,486</u>	<u>\$ 142,146</u>	<u>\$</u>	7,517,632
Related long-term debt outstanding at June 30, 2019				<u>(1,732,502)</u>
Governmental activities capital assets, net of related long-term debt				<u>\$ 5,785,130</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 - CAPITAL ASSETS - continued

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 226,918	\$	\$	\$ 226,918
Capital assets being depreciated:				
Plant and equipment	15,621,200	61,517	(15,920)	15,666,797
Less accumulated depreciation for:				
Plant and equipment	(7,216,127)	(339,539)	2,919	(7,552,747)
Capital assets being depreciated, net	8,405,073	(278,022)	(13,001)	8,114,050
Business-type activities capital assets, net	\$ 8,631,991	\$ (278,022)	\$ (13,001)	8,340,968
Related long-term debt outstanding as of June 30, 2019				(997,498)
Business-type activities capital assets net of related debt				\$ 7,343,470

Depreciation expense was distributed to the various activities as follows:

Governmental activities:	
General government	\$ 10,599
Fire protection and medical rescue	119,195
Police protection	160,314
Recreation	57,806
Community center	7,573
Subtotal	355,487
Business-type activities:	
Sewer service	339,539
Total	\$ 695,026

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of the Township's governmental activity long-term debt:

Bonds Payable

1. General Obligation Unlimited Tax Refunding bonds were issued on July 30, 2012 for \$2,415,000 to refund the 2001 bonds related to the financing of the Public Safety Building. Principal payments range from \$215,000 to \$265,000 due annually in April and maturing on April 2022. Interest is charged at 2.35%, payable semi-annually. The outstanding balance of the bonds at June 30, 2019 was \$770,000.

2. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building (84.43%) as well as the Seven Mile Sewer Project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The governmental fund outstanding balance of the bonds at June 30, 2019 was \$962,502.

The following is a schedule of changes in the long-term obligations of government fund activities:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019	Amount Due Within One Year
<u>Bonds Payable</u>					
1. General Obligation Bond, Series 2012 Refunding of 7 Mile Extension	\$1,015,000	\$	\$ (245,000)	\$ 770,000	\$ 245,000
2. General Obligation Bond, Series 2012 Refunding of 2002/2003 Public Safety Building Bonds	1,198,906		(236,404)	962,502	236,404
Total bonds payable	2,213,906		(481,404)	1,732,502	481,404
Compensated absences					
General government	197,550	46,474		244,024	27,716
Governmental activities long term obligations	\$2,411,456	\$ 46,474	\$ (481,404)	\$1,976,526	\$ 509,120

The following is a schedule of principal and interest payments to service the governmental long-term obligations of the Township:

	Bonds Payable	
	Principal	Interest
Year Ending:		
2020	\$ 477,183	\$ 40,714
2021	518,290	29,500
2022	509,068	17,320
2023	227,961	5,357
Totals	\$1,732,502	\$ 92,891

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

The following is a summary of bonds payable debt for the business-type activities:

1. Loan payable to Michigan Municipal Bond Authority to finance the refunding bonds for the 1992 Junior Lien bonds originally issued in 1992. A net present value savings of \$84,344 was created by issuing these refunding bonds due to a decrease in interest rates. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 2.00% to 5.00%. Outstanding balance of the bonds was \$135,000 at June 30, 2019.
2. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building (84.43%) as well as the Seven Mile Sewer Project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The business-type fund outstanding balance portion of the bonds at June 30, 2019 was \$177,498.
3. General Obligation Limited Tax Special Assessment Bonds were issued on February 10, 2017 for \$760,000 to finance the construction of the Whitmore Lake Sewer Special Assessment District. Principal payments of \$25,000 and \$55,000 are due annually beginning April 2017 and maturing in April 2035. Interest is paid semi-annually at 2.00% to 4.00%. The outstanding balance portion of the bonds at June 30, 2019 was \$685,000.

The following is a schedule of changes in the long-term debt of business-type activities:

Bonds Payable	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019	Amount Due Within One Year
1. General Obligation Bond, Series 2004B (1992 Junior Lien refunding)	\$ 180,000	\$	\$ (45,000)	\$ 135,000	\$ 45,000
2. General Obligation Bond, Series 2012 (7 Mile Extension refunding)	221,094		(43,596)	177,498	43,596
3. General Obligation Bond, Series 2016 (Whitmore Lake SAD)	710,000		(25,000)	685,000	25,000
Total bonds payable	1,111,094		(113,596)	997,498	113,596
Compensated absences					
Business-type	28,732	7,185		35,917	9,068
Total business-type activities long-term debt	\$1,139,826	\$ 7,185	\$ (113,596)	\$1,033,415	\$ 122,664

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

The following is a schedule of principal and interest payments to service the business-type long term obligations of the Township:

Year Ending:	Bonds Payable		
	Principal	Interest	Total
2020	\$ 112,818	\$ 32,090	\$ 144,908
2021	116,710	28,446	145,156
2022	120,931	24,711	145,642
2023	72,039	20,782	92,821
2024	35,000	19,044	54,044
2025 - 2029	220,000	77,795	297,795
2030 - 2034	265,000	38,545	303,545
2035	55,000	1,944	56,944
Totals	\$ 997,498	\$ 243,357	\$ 1,240,855

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

The Township participates in a defined contribution plan for full-time employees and is a fully insured plan funded by both employer (2/3) and employee (1/3) contributions. Under the plan the employee is allowed to contribute pre-tax dollars up to 10% of their annual compensation. All participants are vested 100% immediately. The Northfield Township Area Library participates with the Township in this plan and is included in all subsequent data regarding the plan.

A participant includes all full-time employees as of the beginning of the anniversary date or June 1st of each year. The annual contributions are based on the following formula:

Employer contributes	10% of wages
Employee contributes	<u>5%</u> of wages
Annual contribution to pension plan	<u>15%</u> of wages

The plan is managed through MERS Defined Contribution plan.

A summary of the plans' contributions for the period July 1, 2018 to June 30, 2019, are as follows:

Current year contributions	MERS
Township portion	\$ 84,111
Employee portion	42,058
Total contributions	\$ 126,169

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 - DEFINED BENEFIT PLAN

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

The defined benefit plan is open to all full-time union police officers. The plan calls for benefits to be paid as 2.25% of the final average compensation for each year of service, with a maximum of 80%. Final average compensation is calculated based on the employees final 3 years wages. The plan has a vesting period of 6 years, with normal retirement at age 60. Early retirement is available at age 55 with 20 years of continuous service with normal benefits or at age 55 with 15 years of continuous service or age 50 with 25 years of continuous service with reduced benefits.

Employees covered by benefit terms

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>11</u>
	<u>15</u>

Contributions

The Township is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The Township contributes 10% of covered wages, with the enrolled employees contributing the remainder of the actuarial determined rate. The employee contribution for the year ended June 30, 2019 was 3.70% of eligible wages to fund the plan. The Township contributed \$55,965 to the plan during the reporting period.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 - DEFINED BENEFIT PLAN - continued

Actuarial assumptions

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary increases: 3.75%

Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with price inflation of 2.5%.

Mortality rates used were based on the 2014 Healthy Annuitant Annuity Mortality table, Employee Mortality table, and Juvenile Mortality table with a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009 to 2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	55.50%	3.41%
Global Fixed Income	18.50%	0.23%
Real Assets	13.50%	0.97%
Diversifying Strategies	12.50%	0.63%

Discount Rate

The discount rate used to measure the total pension liability is 8.00% for 2018. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 - DEFINED BENEFIT PLAN - continued

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2017	\$ 2,140,597	\$ 2,024,437	\$ 116,160
Changes for the year			
Service cost	78,428		78,428
Interest on total pension liability	174,384		174,384
Changes in benefits	949		949
Difference between expected and actual experience	(30,837)		(30,837)
Changes in assumptions			
Employer contributions		57,156	(57,156)
Employee contributions		138,085	(138,085)
Net investment income		(89,001)	89,001
Benefit payments, including employee refunds			
Administrative expense		(4,145)	4,145
Other changes	1		1
Net changes	222,925	102,095	120,830
Balances as of 12/31/2018	\$ 2,363,522	\$ 2,126,532	\$ 236,990

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability at 12/31/2018	\$ 236,990	\$ 236,990	\$ 236,990
Changes in Net Pension Liability (NPL) from change in discount rate	416,082		(325,091)
Calculated NPL	\$ 653,072	\$ 236,990	\$ (88,101)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 - DEFINED BENEFIT PLAN - continued

Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension

For the year ended June 30, 2019, the Township recognized pension expense of \$606. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Totals
Differences in experience	\$	\$ (68,059)	\$ (68,059)
Differences in assumptions	36,032		36,032
Excess (Deficit) of investment returns	158,127		158,127
Total to be amortized as pension expense	194,159	(68,059)	126,100
Contributions subsequent to the measurement date	28,633		28,633
Totals	\$ 222,792	\$ (68,059)	\$ 154,733

Amounts reported as deferred outflow and inflow of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Expense
2020	\$ 45,699
2021	17,381
2022	27,817
2023	46,549
2024	(5,163)
2025	(6,183)
Total	\$ 126,100

The amounts reported as deferred outflow of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ended June 30, 2019.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2019. These represent short-term borrowings and amounts owed for reimbursements between other funds.

The following is a summary of the outstanding borrowings between the various funds of the Township:

	<u>Interfund Receivable</u>		<u>Interfund Payable</u>
General Fund	\$ 53,671	Law Enforcement Fund	\$ 53,671
General Fund	43,237	Medical Reserve Fund	43,237
General Fund	9,346	Building Department Fund	9,346
General Fund	6,929	Public Safety Building Debt Fund	6,929
General Fund	73,031	Sewage Disposal System Fund	73,031
General Fund	14,049	Trust and Agency	14,049
General Fund	23,375	Law Enforcement Fund	23,375
General Fund	15,470	Medical Reserve Fund	15,470
General Fund	650	Building Department Fund	650
General Fund	1,969	Sewage Disposal System Fund	1,969
DDA Fund	333	General Fund	333
Trust and Agency	3,015	General Fund	3,015
Payroll Fund	15,633	General Fund	15,633
Law Enforcement Fund	35,000	Federal Narcotics Fund	35,000
Fire Station #2 Fund	5,271	Law Enforcement Fund	5,271
Federal Narcotics Fund	1,961	Law Enforcement Fund	1,961
Fire Station #2 Fund	52	Medical Reserve Fund	52
Building Department Fund	100	Trust and Agency	100
Trust and Agency	260	Building Department Fund	260
Sewage Disposal System Fund	3,441	Building Authority Debt Fund	3,441
Total interfund balances	<u><u>\$ 306,793</u></u>		<u><u>\$ 306,793</u></u>

Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>	<u>Amount</u>
Law Enforcement Fund	Federal Narcotics Fund	Pay operating expenditures	<u><u>\$ 35,000</u></u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers acceptance of United States banks, commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

As of June 30, 2019 deposits and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 5,527,194	\$ 5,527,194	\$
Total deposits	5,527,194	5,527,194	
Investments			
Negotiable certificates of deposit	500,000		500,000
Total investments	500,000		500,000
Total deposits and investments	\$ 6,027,194	\$ 5,527,194	\$ 500,000

Cash and investments are presented in the financial statements in the following areas:

Statement of Net Position:

Cash and investments	\$ 4,779,281
Restricted cash and investments	1,312,209
Total	6,091,490

Fiduciary Funds

Cash	89,554
Total cash and investments	\$ 6,181,044

The carrying amount of cash and investments is stated at \$6,181,044 as of June 30, 2019. The difference between the carrying amounts and the amounts mentioned above stem from cash on hand of \$499, and other outstanding items.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Custodial Credit Risk

Deposits - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Insured by FDIC	\$ 250,000
Uninsured and collateralized	<u>5,277,050</u>
Total	<u><u>\$ 5,527,050</u></u>

Investments - This is the risk that in the event of the failure of a counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only with those institutions with an acceptable estimated risk level.

Insured by FDIC	\$ 500,000
Insured by SIPC	<u> </u>
Total	<u><u>\$ 500,000</u></u>

FDIC insurance covers up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts), and up to \$250,000 for the combined amount of all demand deposit accounts.

Concentration of Credit Risk

Concentration of credit risk is the risk attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy requires diversification with a primary focus on safety. However, the policy does not place a fixed percentage limit for any one issuer.

Investment Type/Issuer	Percent of Portfolio
Non-negotiable CD's	100%

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates could possibly adversely affect the fair values of investments and cash deposits. The Township's investment policy does not specifically limit investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

As of June 30, 2019 the Township had the following investment maturities:

Investment Type	Investment Maturities (In Years)	
	Value	Less than 1
Negotiable CD's	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for U.S. Treasuries and money market accounts. As of June 30, 2019, the Township's investments in negotiable CD's were not rated.

NOTE 10 - STATEMENT OF CASH FLOWS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The direct method was utilized to represent cash flows from operations.

NOTE 11 - GRANT ACTIVITIES

The Township has been a recipient of several grant funds for law enforcement, medical rescue, and recreation activities. These funds are subject to federal and state grant audit requirements.

NOTE 12 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2019 consisted of the following:

	Sewage Disposal System Fund
Cash and investments	\$ 1,312,209
Special assessment receivables	<u>640,005</u>
Total	<u>\$ 1,952,214</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 13 - UPCOMING GASB PRONOUNCEMENTS

GASB 84 - FIDUCIARY ACTIVITIES

The Governmental Accounting Standards Board (GASB) issued GASB Standard No 84, Fiduciary Activities to establish criteria for identifying fiduciary activities for all state and local governments. Activities meeting the criteria of a fiduciary activity should be presented in a separate statement of fiduciary net position and statement of changes in fiduciary net position and establishes four types of fiduciary funds: pension and other employee benefits trust funds, investment trust funds, private purpose trust funds and custodial funds.

The Township is currently assessing the impact that this Standard will have on the Township's financial statements, which will be required to be implemented for the statements for the year ended June 30, 2020.

GASB 87 - LEASES

The Governmental Accounting Standards Board (GASB) issued GASB Standard No. 87, Leases to improve the accounting and financial reporting of leases by governments. This standard requires the recognition of lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows and outflows of resources based on the payment provisions of the contract. This standard will require a lessee to recognize a lease liability and right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources.

The Township is currently assessing the impact that this Standard will have on the Township's financial statements, which will be required to be implemented for the statements for the year ended June 30, 2021.

GASB 89 - ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD

The Governmental Accounting Standards Board (GASB) issued GASB Standard No. 89 to establish accounting requirements for interest costs that are incurred before the end of a construction period. This statement will require interest costs incurred before the end of a construction period to be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As such, the interest will no longer be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard should be applied prospectively.

The Township is currently assessing the impact that this Standard will have on the Township's financial statements, which will be required to be implemented for the statements for the year ended June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 276,984	\$ 276,984	\$ 276,753	\$ (231)
Grants	60,100	100	8,000	7,900
State revenue sources	704,352	704,352	749,118	44,766
Charges for services	242,357	242,357	285,665	43,308
Franchise fees	98,000	98,000	96,556	(1,444)
Interest	4,800	4,800	5,132	332
Miscellaneous revenue	26,436	11,536	22,588	11,052
Total revenues	1,413,029	1,338,129	1,443,812	105,683
EXPENDITURES				
Township board	30,315	40,315	36,288	4,027
Supervisor	15,226	15,226	15,014	212
Township manager	170,859	179,690	164,330	15,360
Elections	22,200	22,200	20,403	1,797
Clerk	87,595	92,581	88,872	3,709
Board of review	14,853	14,853	4,525	10,328
Treasurer	97,082	99,209	86,720	12,489
Assessor	102,690	103,265	97,158	6,107
Professional fees	67,700	69,200	52,314	16,886
Zoning and planning departments	151,021	211,076	204,780	6,296
Roads	185,113	192,783	172,656	20,127
Recreation board		5,000	2,385	2,615
Capital outlay	5,000	29,003	24,355	4,648
Rent - PSB	83,334	87,084	88,193	(1,109)
Other general government	26,280	28,280	16,618	11,662
Community Center	128,108	129,191	114,798	14,393
Township hall and grounds	183,877	124,877	117,101	7,776
Community planning	2,500	2,500		2,500
Street lights	54,410	57,410	53,832	3,578
Total expenditures	1,428,163	1,503,743	1,360,342	143,401
Net change in fund balance	(15,134)	(165,614)	83,470	249,084
FUND BALANCE, JULY 1, 2018	1,145,889	1,145,889	1,145,889	
FUND BALANCE, JUNE 30, 2019	\$ 1,130,755	\$ 980,275	\$ 1,229,359	\$ 249,084

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$	\$ 1,558,140	\$
Local stabilization reimbursement			22,014	
Public safety mileage reimbursement			156,162	
Fines and court fees			3,096	
Liquor law license fees			3,510	
Charges for services			13,003	
Interest income			473	
Reimbursements			2,807	
Total revenues	1,638,067	1,638,067	1,759,205	121,138
EXPENDITURES	1,673,755	1,688,058	1,734,868	(46,810)
Excess of revenues over (under) expenditures	(35,688)	(49,991)	24,337	74,328
OTHER FINANCING SOURCES (USES)				
Transfers in	36,500	36,500	35,000	(1,500)
Net change in fund balance	812	(13,491)	59,337	72,828
FUND BALANCE, JULY 1, 2018	454,480	454,480	454,480	
FUND BALANCE, JUNE 30, 2019	<u>\$ 455,292</u>	<u>\$ 440,989</u>	<u>\$ 513,817</u>	<u>\$ 72,828</u>

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 702,090	\$
Local stabilization reimbursement			9,920	
Charges for services			21,357	
Contributions			505	
Interest			3,425	
Miscellaneous revenue			240	
Total revenues	<u>736,683</u>	<u>736,683</u>	<u>737,537</u>	<u>854</u>
EXPENDITURES				
Salaries			309,361	
Payroll taxes			23,147	
Insurance - benefits			26,573	
Pension			8,923	
Medical testing			384	
Uniforms			7,160	
Controller			5,781	
Audit fees			2,250	
Vehicle			496,053	
Training and development			6,462	
Membership fees			1,175	
Contractual services			1,995	
Dispatch services			11,607	
Telephone			7,803	
Supplies			9,025	
Insurance and bonds			60,281	
Office overhead			43,536	
PSB lease			88,193	
Printing and postage			136	
Utilities			7,603	
Repairs and maintenance			35,295	
Equipment			30,242	
Computers			1,843	
Miscellaneous			2,251	
Personnel allocation			(64,085)	
Total expenditures	<u>696,339</u>	<u>1,186,343</u>	<u>1,122,994</u>	<u>63,349</u>
Excess of revenues over (under) expenditures	<u>40,344</u>	<u>(449,660)</u>	<u>(385,457)</u>	<u>64,203</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	<u>60,000</u>	<u>60,000</u>		<u>(60,000)</u>
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>		<u>(60,000)</u>
Net change in fund balance	100,344	(389,660)	(385,457)	4,203
FUND BALANCE, JULY 1, 2018	<u>1,016,369</u>	<u>1,016,369</u>	<u>1,016,369</u>	
FUND BALANCE, JUNE 30, 2019	<u>\$ 1,116,713</u>	<u>\$ 626,709</u>	<u>\$ 630,912</u>	<u>\$ 4,203</u>

NORTHFIELD TOWNSHIP

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule of Employer Contributions

	For the Plan Year Ended December 31,				
	2018	2017	2016	2015	2014
Actuarial determined contributions	\$ 57,156	\$ 62,943	\$ 56,582	\$ 58,396	\$ 55,589
Contributions in relation to the actuarial determined contribution	<u>57,156</u>	<u>62,943</u>	<u>59,011</u>	<u>58,396</u>	<u>55,589</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ 2,429</u>	<u>\$</u>	<u>\$</u>
Covered employee payroll	<u>\$ 612,722</u>	<u>\$ 639,693</u>	<u>\$ 565,824</u>	<u>\$ 583,960</u>	<u>\$ 555,890</u>
Contributions as a percentage of covered payroll	<u>9.33%</u>	<u>9.84%</u>	<u>10.43%</u>	<u>10.00%</u>	<u>10.00%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

Amortization method	Level percentage of payroll, open
Remaining amortization period	Unfunded accrued liability - 23 years 2016 Gain
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Age 60. Early retirement with reduced benefits at 55 with 15 years of service or 50 with 25 years of service or with normal benefits at age 55 with 20 years of service. 50% Female/50% Male 2014 Healthy Annuitant Annuity
Mortality	Mortality table, Employee Mortality table, and Juvenile Mortality table

Previous Actuarial Methods and Assumptions

A ten year smoothed asset valuation method was used for the time period of 2005 through 2014. Employee contributions have varied each year between 2.16% and 3.96%.

NORTHFIELD TOWNSHIP

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	For the Plan Year Ended December 31,				
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 78,428	\$ 81,945	\$ 72,652	\$ 71,768	\$ 68,319
Interest	174,384	156,628	146,935	125,742	110,821
Changes in benefit terms	949	(628)	3,918	(14,904)	
Differences between expected and actual experience	(30,837)	(14,230)	(106,981)	64,631	
Other	1				
Changes of assumptions				64,856	
Net change in total pension liability	222,925	223,715	116,524	312,093	179,140
Total pension liability - beginning	2,140,597	1,916,882	1,800,358	1,488,265	1,309,125
Total pension liability - ending	<u>\$ 2,363,522</u>	<u>\$ 2,140,597</u>	<u>\$ 1,916,882</u>	<u>\$ 1,800,358</u>	<u>\$ 1,488,265</u>
Plan fiduciary net position					
Contributions - employer	\$ 57,156	\$ 62,943	\$ 59,011	\$ 58,396	\$ 55,589
Contributions - employee	138,085	27,551	19,534	15,385	54,529
Net investment income	(89,001)	233,466	171,765	(22,425)	81,669
Administrative expenses	(4,145)	(3,679)	(3,383)	(3,196)	(3,030)
Net change in plan fiduciary net position	102,095	320,281	246,927	48,160	188,757
Plan fiduciary net position, beginning	2,024,437	1,704,156	1,457,229	1,409,069	1,220,312
Plan fiduciary net position, ending	<u>\$ 2,126,532</u>	<u>\$ 2,024,437</u>	<u>\$ 1,704,156</u>	<u>\$ 1,457,229</u>	<u>\$ 1,409,069</u>
Net pension liability	<u>\$ 236,990</u>	<u>\$ 116,160</u>	<u>\$ 212,726</u>	<u>\$ 343,129</u>	<u>\$ 79,196</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>89.97%</u>	<u>94.57%</u>	<u>88.90%</u>	<u>80.94%</u>	<u>94.68%</u>
Covered employee payroll	<u>\$ 612,722</u>	<u>\$ 639,693</u>	<u>\$ 565,824</u>	<u>\$ 583,956</u>	<u>\$ 555,890</u>
Net pension liability as a percentage of covered employee payroll	<u>38.68%</u>	<u>18.16%</u>	<u>37.60%</u>	<u>58.76%</u>	<u>14.25%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

NOTE - BUDGETARY INFORMATION

Highlights of the budgetary process are disclosed in Note 1 of the Notes to Financial Statements.

Budget Overruns

In funds that were required by law to adopt budgets, during the year ended June 30, 2019 expenditures exceeded appropriations as follows:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
Law Enforcement Fund	\$ 1,688,058	\$ 1,734,868	\$ (46,810)
General Fund - Rent - PSB	87,084	88,193	(1,109)
	<u>\$ 1,775,142</u>	<u>\$ 1,823,061</u>	<u>\$ (47,919)</u>

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	SPECIAL REVENUE FUNDS							DEBT SERVICE FUNDS			Totals
	Building Department Fund	Fire Station #2 Fund	Barker Road Fund	PSB Rental Property Fund	Narcotics Fund	Federal Narcotics Fund	Public Contributions Fund	Downtown Development Authority Fund	Building Authority Fund	Public Safety Building Fund	
ASSETS											
Cash and investments	\$ 149,604	\$ 29,082	\$ 11,271	\$ 28,005	\$ 144,400	\$ 306,272	\$ 519	\$ 34,596	3,441	\$ 33,025	\$ 740,215
Taxes receivable										1,523	1,523
Due from other funds	100	5,323				1,961		333			7,717
Total assets	<u>\$ 149,704</u>	<u>\$ 34,405</u>	<u>\$ 11,271</u>	<u>\$ 28,005</u>	<u>\$ 144,400</u>	<u>\$ 308,233</u>	<u>\$ 519</u>	<u>\$ 34,929</u>	<u>\$ 3,441</u>	<u>\$ 34,548</u>	<u>\$ 749,455</u>
LIABILITIES											
Accounts payable	\$ 2,111	\$	\$	\$ 286	\$ 515	\$	\$	\$ 200	\$	\$ 6,650	\$ 9,762
Due to other funds	10,256					35,000			3,441	6,929	55,626
Total liabilities	<u>12,367</u>			<u>286</u>	<u>515</u>	<u>35,000</u>		<u>200</u>	<u>3,441</u>	<u>13,579</u>	<u>65,388</u>
FUND BALANCE											
Nonspendable - prepaid											
Restricted											
Law enforcement					143,885	273,233					417,118
Community development							519	31,144			31,663
Committed											
Public safety		22,691									22,691
Barker road			11,271								11,271
Building department	86,222										86,222
Public safety building				27,719							27,719
Assigned for future budget deficit	51,115	11,714						3,585		20,969	87,383
Total fund balances	<u>137,337</u>	<u>34,405</u>	<u>11,271</u>	<u>27,719</u>	<u>143,885</u>	<u>273,233</u>	<u>519</u>	<u>34,729</u>		<u>20,969</u>	<u>684,067</u>
Total liabilities and fund balance	<u>\$ 149,704</u>	<u>\$ 34,405</u>	<u>\$ 11,271</u>	<u>\$ 28,005</u>	<u>\$ 144,400</u>	<u>\$ 308,233</u>	<u>\$ 519</u>	<u>\$ 34,929</u>	<u>\$ 3,441</u>	<u>\$ 34,548</u>	<u>\$ 749,455</u>

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2019**

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Payroll Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$	\$ 89,554	\$	\$ 89,554
Due from others		6,110	92,430	98,540
Due from other funds		3,275	15,633	18,908
		<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$</u>	<u>\$ 98,939</u>	<u>\$ 108,063</u>	<u>\$ 207,002</u>
LIABILITIES				
Due to other funds	\$	\$ 14,149	\$	\$ 14,149
Cash overdraft			69,685	69,685
Due to others		84,790	38,378	123,168
		<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$</u>	<u>\$ 98,939</u>	<u>\$ 108,063</u>	<u>\$ 207,002</u>

NORTHFIELD TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE FUNDS							DEBT SERVICE FUNDS		Totals
	Building Department Fund	Fire Station #2 Fund	Barker Road Fund	PSB Rental Property Fund	Narcotics Fund	Federal Narcotics Fund	Public Contributions Fund	Downtown Development Authority Fund	Building Authority Fund	
REVENUES										
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$ 269,071	\$ 269,071
Local stabilizaiton reimbursement									4,065	4,065
Fines and forfeits					33,989	93,381				127,370
Charges for services	2,775									2,775
Licenses and permits	107,135									107,135
Rental income		17,364	9,960	39,725				264,579	130,607	462,235
Interest Income	97	17	6	18	67	160	20		9	394
Other income	105						506		193	804
Total revenues	110,112	17,381	9,966	39,743	34,056	93,541	526	264,579	403,945	973,849
EXPENDITURES										
General government	116,404		8,655	12,024					128,219	265,302
Police protection					12,336	25,560				37,896
Public works							767			767
Debt service										
Principal								236,404	245,000	481,404
Interest and fees								28,175	23,853	52,028
Total expenditures	116,404		8,655	12,024	12,336	25,560	767	264,579	397,072	837,397
Excess of revenues over (under) expenditures	(6,292)	17,381	1,311	27,719	21,720	67,981	(241)		6,873	136,452
OTHER FINANCING SOURCES (USES)										
Transfers (out)						(35,000)				(35,000)
Net changes in fund balances	(6,292)	17,381	1,311	27,719	21,720	32,981	(241)		6,873	101,452
FUND BALANCE, JULY 1, 2018	143,629	17,024	9,960		122,165	240,252	519	34,970	14,096	582,615
FUND BALANCE, JUNE 30, 2019	\$ 137,337	\$ 34,405	\$ 11,271	\$ 27,719	\$ 143,885	\$ 273,233	\$ 519	\$ 34,729	\$ 20,969	\$ 684,067

INDIVIDUAL FUNDS

GENERAL FUND

NORTHFIELD TOWNSHIP

GENERAL FUND
BALANCE SHEET
JUNE 30, 2019

ASSETS

Cash and investments	\$	815,018
Taxes receivable		2,549
State shared revenue receivable		146,893
Other receivables		14,274
Land contract receivable - Northfield Township Area Library		25,715
Due from other funds		241,727
Prepaid expenditures		<u>73,629</u>

Total assets \$ 1,319,805

LIABILITIES

Accounts payable	\$	61,468
Accrued compensated absences		3,184
Due to other funds		18,981
Due to others		<u>6,813</u>

Total liabilities \$ 90,446

FUND BALANCE

Nonspendable - prepaid items	73,629
Nonspendable - Library receivable	25,715
Assigned for future budget deficit	49,333
Unassigned	<u>1,080,682</u>

Total fund balance 1,229,359

Total liabilities and fund balance \$ 1,319,805

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 276,984	\$ 276,753	\$ (231)
Grants	100	8,000	7,900
State revenue sources	704,352	749,118	44,766
Charges for services	242,357	285,665	43,308
Franchise fees	98,000	96,556	(1,444)
Interest	4,800	5,132	332
Miscellaneous revenue	11,536	22,588	11,052
Total revenues	<u>1,338,129</u>	<u>1,443,812</u>	<u>105,683</u>
EXPENDITURES			
Township board	40,315	36,288	4,027
Supervisor	15,226	15,014	212
Township manager	179,690	164,330	15,360
Elections	22,200	20,403	1,797
Clerk	92,581	88,872	3,709
Board of review	14,853	4,525	10,328
Treasurer	99,209	86,720	12,489
Assessor	103,265	97,158	6,107
Professional fees	69,200	52,314	16,886
Zoning and planning departments	211,076	204,780	6,296
Roads	192,783	172,656	20,127
Recreation board	5,000	2,385	2,615
Capital outlay	29,003	24,355	4,648
Rent - PSB	87,084	88,193	(1,109)
Other general government	28,280	16,618	11,662
Community center	129,191	114,798	14,393
Township hall and grounds	124,877	117,101	7,776
Community planning	2,500		2,500
Street lights	57,410	53,832	3,578
Total expenditures	<u>1,503,743</u>	<u>1,360,342</u>	<u>143,401</u>
Net change in fund balance	(165,614)	83,470	249,084
FUND BALANCE, JULY 1, 2018	<u>1,145,889</u>	<u>1,145,889</u>	
FUND BALANCE, JUNE 30, 2019	<u>\$ 980,275</u>	<u>\$ 1,229,359</u>	<u>\$ 249,084</u>

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES	\$ 276,984	\$ 276,753	\$ (231)
GRANTS	100	8,000	7,900
STATE REVENUE SOURCES			
State shared revenues	702,352	740,307	37,955
Local community stabilization reimbursement	2,000	8,811	6,811
Total state revenue sources	<u>704,352</u>	<u>749,118</u>	<u>44,766</u>
CHARGES FOR SERVICES			
Tax administration fees	145,000	156,428	11,428
Sewer administration	46,157	54,756	8,599
Fiber footage fees	10,000	10,607	607
Planning and zoning fees	9,500	10,700	1,200
Mobile home park fees	2,850	2,819	(31)
Summer tax collection fees	14,000	13,770	(230)
Duplicating	100	274	174
Penalties and interest on taxes	4,000	10,479	6,479
Community center	10,500	13,281	2,781
Licenses and fines	250	12,551	12,301
Total charges for services	<u>242,357</u>	<u>285,665</u>	<u>43,308</u>
FRANCHISE FEES			
Cablevision franchise fees	98,000	96,556	(1,444)
INTEREST	4,800	5,132	332
MISCELLANEOUS REVENUE			
Miscellaneous	5,050	18,316	13,266
Reimbursements	6,486	4,272	(2,214)
Total miscellaneous revenue	<u>11,536</u>	<u>22,588</u>	<u>11,052</u>
Total revenues	<u>\$ 1,338,129</u>	<u>\$ 1,443,812</u>	<u>\$ 105,683</u>

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 10,000	\$
Payroll taxes		773	
Membership and dues		8,602	
Transportation		10,000	
Printing and publishing		6,903	
Miscellaneous		10	
Total township board	40,315	36,288	4,027
SUPERVISOR			
Supervisor's salary		12,500	
Payroll taxes		956	
Miscellaneous		1,558	
Total supervisor	15,226	15,014	212
TOWNSHIP MANAGER			
Salaries		107,514	
Payroll taxes		11,686	
Insurance - benefits		23,643	
Pension		7,500	
Controller		49,583	
Miscellaneous		6,235	
Personnel allocation		(41,831)	
Total township manager	179,690	164,330	15,360
ELECTIONS			
Fees		11,951	
Payroll taxes		141	
Office supplies		1,642	
Contractual services		1,025	
Printing and postage		5,644	
Total elections	22,200	20,403	1,797

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Clerk's salary		12,500	
Deputy clerk's salary		42,868	
Payroll taxes		4,223	
Insurance - benefits		15,104	
Pension		4,270	
Recording secretary		9,615	
Miscellaneous		292	
Total clerk	92,581	88,872	3,709
BOARD OF REVIEW			
Fees		1,044	
Payroll taxes		80	
Recording secretary		1,320	
Printing and publishing		640	
Tax tribunal and drains		1,441	
Total board of review	14,853	4,525	10,328
TREASURER			
Treasurer's salary		12,500	
Deputy/clerical salaries		48,803	
Payroll taxes		5,300	
Insurance - benefits		2,715	
Pension		2,678	
Legal fees		6,500	
Tax roll preparation		1,511	
Postage		3,771	
Miscellaneous		2,942	
Total treasurer	99,209	86,720	12,489

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ASSESSOR			
Supplies		1,573	
Contracted services		92,035	
Postage and printing		3,550	
Total assessor	<u>103,265</u>	<u>97,158</u>	<u>6,107</u>
PROFESSIONAL FEES	<u>69,200</u>	<u>52,314</u>	<u>16,886</u>
ZONING AND PLANNING DEPARTMENTS			
Board of appeals fees		20,344	
Payroll taxes		4,003	
Pension		1,758	
Salaries - recording secretary		7,915	
Planning commission fees		13,100	
Professional fees		86,117	
Code enforcement		20,788	
Zoning administration		30,145	
Printing and publications		5,175	
Insurance and bonds		1,017	
Miscellaneous		1,915	
Insurance - benefits		12,503	
Total zoning and planning departments	<u>211,076</u>	<u>204,780</u>	<u>6,296</u>
ROADS	<u>192,783</u>	<u>172,656</u>	<u>20,127</u>
RECREATION BOARD	<u>5,000</u>	<u>2,385</u>	<u>2,615</u>
CAPITAL OUTLAY	<u>29,003</u>	<u>24,355</u>	<u>4,648</u>
RENT - PSB	<u>87,084</u>	<u>88,193</u>	<u>(1,109)</u>
OTHER GENERAL GOVERNMENT			
Software		10,798	
Computer services		3,820	
Clean up program		2,000	
Total other general government	<u>28,280</u>	<u>16,618</u>	<u>11,662</u>

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
COMMUNITY CENTER			
Salaries		51,722	
Payroll taxes		3,734	
Insurance - benefits		12,841	
Pension		4,688	
Supplies		1,704	
Dues		120	
Programs		14,424	
Janitorial service		3,665	
Senior nutrition		2,310	
Community expense		927	
Telephone		2,983	
Printing and publications		495	
Insurance - general liability		1,131	
Utilities		3,345	
Repairs and maintenance		8,008	
Miscellaneous		2,701	
	<u>129,191</u>	<u>114,798</u>	<u>14,393</u>
TOWNSHIP HALL AND GROUNDS			
Salaries		7,287	
Payroll taxes		616	
Insurance		14,777	
PSB allocation		43,536	
Janitor fees		23,250	
Office supplies		14,362	
Telephone		2,375	
Postage		3,245	
Utilities		191	
Repairs and maintenance		5,729	
Tax chargebacks		377	
Equipment rental		5,556	
Personnel allocation		(4,200)	
	<u>124,877</u>	<u>117,101</u>	<u>7,776</u>
COMMUNITY PLANNING	<u>2,500</u>		<u>2,500</u>
STREET LIGHTS	<u>57,410</u>	<u>53,832</u>	<u>3,578</u>
Total expenditures	<u>\$ 1,503,743</u>	<u>\$ 1,360,342</u>	<u>\$ 143,401</u>

FIRE FUND

NORTHFIELD TOWNSHIP

**FIRE FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash	\$	700,271
Taxes receivable		3,873
Prepaid expenses		<u>175</u>
Total assets	\$	<u><u>704,319</u></u>

LIABILITIES

Accounts payable	\$	11,768
Accrued compensated absences		2,796
Due to other funds		58,759
Due to others		<u>84</u>
Total liabilities		<u>73,407</u>

FUND BALANCE

Nonspendable - prepaid items		175
Restricted - fire		<u>630,737</u>
Total fund balance		<u>630,912</u>
Total liabilities and fund balance	\$	<u><u>704,319</u></u>

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 702,090	\$
State revenue sources		9,920	
Charges for services		21,357	
Contributions		505	
Interest		3,425	
Miscellaneous revenue		240	
	736,683	737,537	854
EXPENDITURES			
Salaries		309,361	
Payroll taxes		23,147	
Insurance - benefits		26,573	
Pension		8,923	
Medical testing		384	
Uniforms		7,160	
Controller		5,781	
Audit fees		2,250	
Vehicle		496,053	
Training and development		6,462	
Membership fees		1,175	
Contractual services		1,995	
Dispatch services		11,607	
Telephone		7,803	
Supplies		9,025	
Insurance and bonds		60,281	
Office overhead		43,536	
PSB lease		88,193	
Printing and postage		136	
Utilities		7,603	
Repairs and maintenance		35,295	
Equipment		30,242	
Computers		1,843	
Miscellaneous		2,251	
Personnel allocation		(64,085)	
	1,186,343	1,122,994	63,349
Excess of revenues over (under) expenditures	(449,660)	(385,457)	64,203
OTHER FINANCING SOURCES (USES)			
Sale of assets	60,000		(60,000)
	(389,660)	(385,457)	4,203
FUND BALANCE, JULY 1, 2018	1,016,369	1,016,369	
FUND BALANCE, JUNE 30, 2019	\$ 626,709	\$ 630,912	\$ 4,203

LAW ENFORCEMENT FUND

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash	\$	587,768
Taxes receivable		8,656
Prepaid expenses		26
Due from other funds		35,000
Due from others		<u>529</u>

Total assets \$ 631,979

LIABILITIES

Accounts payable	\$	12,148
Due to other funds		84,278
Accrued compensated absences		<u>21,736</u>

Total liabilities \$ 118,162

FUND BALANCE

Nonspendable - prepaid items		26
Restricted - law enforcement		<u>513,791</u>

Total fund balance 513,817

Total liabilities and fund balance \$ 631,979

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,558,140	\$
Local stabilization reimbursement		22,014	
Public safety mileage reimbursement		156,162	
Fines and court fees		3,096	
Liquor law license fees		3,510	
Charges for services		13,003	
Interest income		473	
Reimbursements		2,807	
Total revenues	1,638,067	1,759,205	121,138
EXPENDITURES			
	1,688,058	1,734,868	(46,810)
Excess of revenues over (under) expenditures	(49,991)	24,337	74,328
OTHER FINANCING SOURCES			
Transfers in	36,500	35,000	(1,500)
Net change in fund balance	(13,491)	59,337	72,828
FUND BALANCE, JULY 1, 2018	454,480	454,480	
FUND BALANCE, JUNE 30, 2019	\$ 440,989	\$ 513,817	\$ 72,828

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 931,778	\$
Payroll taxes		71,061	
Insurance - benefits		163,963	
Professional fees		55,424	
Pension		67,776	
Controller		5,781	
Membership dues		219	
Printing and postage		1,027	
Transportation		21,304	
Insurance and bonds		69,764	
Repairs and maintenance		17,967	
Telephone		11,547	
Supplies		6,412	
Equipment rental		2,818	
Office overhead		43,536	
PSB lease		88,193	
Contractual services		28,104	
Dispatch services		65,247	
Uniforms		6,760	
Medical testing		1,168	
Personnel allocation		64,085	
Miscellaneous		10,934	
Total expenditures	\$ 1,688,058	\$ 1,734,868	\$ (46,810)

SEWAGE DISPOSAL SYSTEM FUND

NORTHFIELD TOWNSHIP

**SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF NET POSITION
JUNE 30, 2019**

CURRENT ASSETS

Cash	\$ 1,436,143	
Investments	499,866	
Sewer billings receivable	402,410	
Other receivables	22,870	
Interest receivable	5,982	
Due from other funds	3,441	
Due from others	388	
Prepaid expenses	946	
Total current assets		\$ 2,372,046

RESTRICTED ASSETS

Cash	1,312,209	
Special assessments receivable	640,005	
Total restricted assets		1,952,214

PLANT, PROPERTY AND EQUIPMENT

Land	226,918	
Plant	2,229,393	
Plant expansion	12,109,445	
Equipment	1,289,772	
	15,855,528	
Less: accumulated depreciation	(7,514,560)	
Net plant, property, and equipment		8,340,968
Total assets		\$ 12,665,228

CURRENT LIABILITIES

Accounts payable	\$ 27,887	
Accrued compensated absences	35,917	
Due to other funds	75,000	
Bonds payable - current portion	113,596	
Total current liabilities		\$ 252,400

LONG-TERM LIABILITIES

Bonds payable - less current portion		883,902
Total liabilities		1,136,302

NET POSITION

		11,528,926
Total liabilities and net position		\$ 12,665,228

NORTHFIELD TOWNSHIP

**SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

OPERATING REVENUES

User charges		\$ 1,462,268
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OPERATING EXPENSES

Salaries and wages	\$ 279,945	
Payroll taxes	21,199	
Insurance - benefits	91,326	
Pension	24,993	
Depreciation	339,539	
Training and development	2,720	
Testing	980	
Operating supplies	48,744	
Uniforms	1,573	
Professional services	6,300	
Controller	16,701	
Supplies	1,447	
Equipment	4,014	
Contracted services	189,712	
Administration fees	43,696	
Telephone	5,968	
Transportation	3,424	
Printing and postage	3,676	
Insurance and bonds	28,138	
Utilities	117,747	
Repairs and maintenance	54,720	
Equipment rental	1,664	

Total operating expenses		<u>1,288,226</u>
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Operating income		174,042
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NON-OPERATING REVENUES AND (EXPENSES)

Interest income - cash and equivalents	14,276	
Interest - special assessments	43,880	
Other revenues	2,324	
Interest expense	(35,640)	
Loss on sale of asset	(13,001)	
Agent fees	(500)	

Total non-operating revenues and (expenses)		<u>11,339</u>
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Change in net position		185,381
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NET POSITION, JULY 1, 2018		<u>11,343,545</u>
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NET POSITION, JUNE 30, 2019		<u><u>\$ 11,528,926</u></u>
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NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 1,425,363	
Cash payments to employees	(293,959)	
Cash payments to suppliers of goods and services	<u>(573,152)</u>	
Net cash provided by operating activities		\$ 558,252

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Loss on disposal of asset	(13,001)	
Special assessments and interest received	254,369	
Other revenue (expense)	2,324	
Acquisition of capital assets	(61,517)	
Repayment of principal on bonds/contracts	(149,737)	
Investment activity	<u>69,969</u>	
Net cash (used in) capital and related financing activities		102,407

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents		<u>17,238</u>
Net increase in cash and cash equivalents		677,897

CASH AND CASH EQUIVALENTS AT, JULY 1, 2018		<u>2,070,455</u>
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CASH AND CASH EQUIVALENTS AT, JUNE 30, 2019		<u><u>\$ 2,748,352</u></u>
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RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income		\$ 174,042
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation	\$ 339,539	
Change in assets and liabilities:		
(Increase) decrease in receivables	(37,293)	
(Increase) decrease in prepaid expenses	(16)	
Increase (decrease) in accounts payable/accrued compensated absences	6,789	
Increase (decrease) in due to other funds	<u>75,191</u>	
Total adjustments		<u>384,210</u>
Net cash provided by operating activities		<u><u>\$ 558,252</u></u>

Consent Agenda

Township Manager's Report prepared on November 20 by Steve Aynes for the November 26, 2019 Board Meeting

Marijuana Related Business Contacts

In the short time since the Wednesday morning following the election, I have personally been contacted by several potential businesses interested in retail or grower opportunities. The calls and visits seem to be continuing. I am spending a substantial amount of time being responsive to requests for information.

The Board adopted both Ordinances allowing for Marijuana related businesses. Paul Lippens, Planner, and I have been working on the administrative procedures and forms needed to for this. I will then supervise training of the office staff and other employees affected by these. The Ordinances were published on November 21st. 30 days thereafter would be December 21, which is a Saturday. The next business day for our office would be December 26th. Our attorney recommends that we have an initial time window for accepting applications. Applications accepted during that time period would be given a random number for processing. It was suggested that the Township begin accepting applications during regular business hours on December 26, 2019 at 8:00 A.M. until noon on January 2, 2020. All Applications will be assigned a random order for processing when the application window closes at noon on January 2, 2020. Applicants arriving after noon on January 2, 2020 will be processed in the order in which they are received, but will not be processed until the Township completes the processing of applications received during the December 26, 2019 to January 2, 2020 application window.

Code Enforcement and Citizen Complaint Issues

Please see the Code Enforcement Officer's report as enclosed in the reports on the agenda. There continue to be many complaints. The Staff and I spend a great deal of effort in trying to resolve any problems to the extent the Township can.

Road Committee

A resident-lead Road Committee was established to review the condition of the roads throughout the township and to brainstorm ideas for alternative funding options for road repairs and maintenance. A roads assessment was completed by our committee members. The Road Committee has reached out to State Senator Lana Theis and State Representative Donna Lasinski requesting them to attend a committee meeting to discuss alternative ways for our township to secure more road funding and to update the Committee on Legislative efforts. We are hoping to schedule this meeting for a December date.

Upcoming Road Construction

I attended a public meeting in Salem Twp. regarding Washtenaw Co. Road Commission's construction of a roundabout at Pontiac Trail and 7 Mile Road. This project is slated to start June 15, 2020 through mid-August 2020. During construction, vehicles will be detoured around this intersection. A similar project is expected during the summer of 2021 as they plan to construct another roundabout at North Territorial Road and Pontiac Trail.

**NORTHFIELD TOWNSHIP
Township Board
Minutes
November 12, 2019**

CALL TO ORDER

The meeting was called to order at 7:03 P.M. by Supervisor Chockley at 8350 Main Street.

PLEDGE/INVOCATION

Otto provided a brief invocation and led those present in the Pledge of Allegiance.

ROLL CALL

Marlene Chockley, Supervisor	Present
Kathleen Manley, Clerk	Present (arrived at 7:15 p.m.)
Lenore Zelenock, Treasurer	Present
Tawn Beliger, Trustee	Present
Janet Chick, Trustee	Present
Wayne Dockett, Trustee	Present
Jacki Otto, Trustee	Present

Also present:
Public Safety Director William Wagner
Wastewater Treatment Plant Superintendent Dan Willis
Township Manager Steven Aynes
Township Attorney Paul Burns
Township Planner Mario Ortega, McKenna
Township Planner Irvin Wyche, McKenna
Recording Secretary Lisa Lemble
Members of the community

FIRST CALL TO THE PUBLIC

Mary Devlin, 9211 Brookside, Barb Wutka, 5985 Leland, Sam Iaquinto, 9876 Main Street, Monica Miller, 67919 Eight Mile, Mary Czech, 6915 Main, John Gura, 7659 Edmund, Dana Forester, 9255 Lakewood, James Trunko, 9255 Lakewood, David Gordon, Wayne Davison, 8015 Coyle, Craig Warburton, 450 W. Joy, Adam Olney, Todd Hoffmeyer, Coyote Windsong, 320 Delaware, Shannon Koenig, Main Street, Marissa Prizzint, 32 Schrumm, Margaret Riddell, 65141 W. Eight Mile, and Brad Cousino, 2860 Tepeyac Hill, commented on the outcome of the November 5th marijuana ballot initiative, the process leading up to the vote, and/or ordinances that will be established regarding allowed businesses.

David Gordon also commented on use of the North Village property. Craig Warburton also commented on the rules regarding the Call to the Public. Dan Mclean, 9650 Main Street, commented on blight in the Township.

Denise Pollicella, Cannibis of Attorneys of Michigan, and Jerry Griffin, PincannaRx, commented on legal and business issues regarding marijuana ordinances.

[Manley arrived during the Call to the Public].

BOARD MEMBER RESPONSE

Board members responded to comments about the issue of marijuana businesses in the township, thanked community members who cleaned up graffiti, expressed concern about lack of progress on some blight issues. They also commented on the sale of 75 Barker Road, procedures for preparing Board packets and agendas and for the Call to the Public, the North Village property, and expansion of the sewer system.

► **Motion:** Dockett moved, Beliger seconded, that the meeting be recessed for five minutes.
Motion carried 7-0 on a voice vote.

ADOPT CONSENT AGENDA

- **Manager, Treasurer, and Department Reports**
- **Minutes of October 22, 2019 Meetings**
- **Paid Bills**
- **Correspondence**

► **Motion #1:** Chockley moved, Manley seconded, that the consent agenda be adopted as presented.

At the request of Board members Chief Wagner:

- explained that all foam containing PFAs (perfluoroalkoxy alkane) previously used by the Fire Department has been removed, but an acceptable foam is stored at Station 32.
- reported the Township has been reimbursed by the University of Michigan for the Drug Takeback event.
- said no one has asked him what the cost effect on the Police Department of having marijuana businesses in the community would be, and he could not estimate that until State rules are finalized.

The cost of the increase for the health insurance policy was added to the minutes of October 22nd.

Board members also made comments about the Wastewater Treatment Plant report, and administrative procedures regarding marijuana businesses.

► **Motion #2:** Zelenock moved, Chick seconded, that Aynes and Lippens provide the Board with the administrative procedures and form regarding marijuana businesses in the Township in at least draft form before the next Board meeting.
Motion carried 7-0 on a voice vote.

In answer to questions about code enforcement procedures, Aynes said he, the code enforcement officer,

**Northfield Township Board Meeting
Minutes of Regular Meeting
Public Safety Building; 8350 Main Street
November 12, 2019**

and attorney Burns work together on enforcement based on established procedures, some of which are specified in ordinances.

In answer to a question, Willis said the WWTP plant does not currently test for pesticides, but once marijuana grow houses come on line they can test for specific chemicals.

- ▶ **Amended motion #1:** Chockley moved, Manley seconded, that the consent agenda be adopted with the addition made to the minutes of October 22, 2019. **Amended motion #1 carried 7—0 on a voice vote.**

ADOPT BALANCE OF AGENDA

- ▶ **Motion:** Chockley moved, Beliger seconded, that the balance of the agenda be adopted as presented. **Motion failed 3—4 on a roll call vote, Chick, Otto, Zelenock, and Dockett opposed.**
- ▶ **Motion:** Chockley moved, Otto seconded, that the balance of the agenda be adopted with the addition of action on the opt out provision in Ordinance 19-70, *an Ordinance to amend Ordinance 18-62, Prohibition of Marijuana Establishments*, as item 9, and with items 7, 8, and 9 moved to follow item 1. **Motion carried 7—0 on a voice vote.**

AGENDA ITEMS

1.

**Approve Payment of Open Bills
(expected check run date 11-13-2019)**

- ▶ **Motion:** Chockley moved, Manley seconded, to approve payment of Open Bills (expected check run date 11-13-2019) for a total of \$159,338.40 from all funds in the Municipal Investment Fund (MIF) account. **Motion carried 7—0 on a voice vote.**

7.

**Ordinance 19-66:
Amend Zoning Ordinance to Allow Marijuana
Establishments, and to Establish Regulations and
Standards for the Operations**

- ▶ **Motion #1:** Chick moved, Otto seconded, to allow marijuana provisioning centers to locate in the Whitmore Lake District-Downtown (WLD-D) and the Whitmore Lake District-Waterfront (WLD-W). **Motion #1 carried 5—2 on a roll call vote, Chockley and Beliger opposed.**
- ▶ **Motion #2:** Chick moved, Otto seconded, to allow adult use marijuana in the Whitmore Lake District-Downtown (WLD-D) and the Whitmore Lake District-Waterfront (WLD-W). **Motion #2 carried 5—2 on a roll call vote, Chockley and Beliger opposed.**
- ▶ **Motion #3:** Chick moved, Otto seconded, to allow growers growing over 500 plants, which includes

medical Class B, medical Class C, and recreational Class C marijuana, in the Research, Technology, and Manufacturing (RTM) district. **Motion #3 carried 6—1 on a roll call vote, Beliger opposed.**

- ▶ **Motion #4:** Chick moved, Otto seconded, to adopt Ordinance 19-66 with the changes made to the Whitmore Lake District-Downtown (WLD-D) and Whitmore Lake District-Waterfront (WLD-W) at this meeting.

The Board discussed the various versions of the ordinance previously provided and confusion surrounding them. Zelenock said it might be time to hire a new planning firm.

- ▶ **Motion #5:** Beliger moved, Chockley seconded, to increase the buffer between marijuana businesses and schools to 1,000 feet from 500 feet.

There was discussion about the distance in other municipalities' ordinance and the legality of a distance under 1,000 feet. Burns said he does not think the law on that has been settled, and he cannot say whether a change in State law on this would affect local law.

Motion #5 failed 3—4 on a roll call vote, Otto, Zelenock, Chick, and Dockett opposed.

- ▶ **Motion #6:** Beliger moved, Chockley seconded, to include public parks in the 500 buffer between marijuana businesses and schools. **Motion #6 failed 3—4 on a roll call vote, Otto, Chick, Zelenock, and Dockett opposed.**

- ▶ **Motion #7:** Beliger moved, Manley seconded, to add day care facilities in the 500 buffer between marijuana businesses and schools. **Motion #7 failed 3—4 on a roll call vote, Dockett, Zelenock, Chick, and Otto opposed.**

- ▶ **Motion #8:** Beliger moved, Chockley seconded, to disallow all marijuana establishments and adult uses as defined by the Michigan Marijuana Regulatory Agency from the AR-Agricultural district. **Motion #8 failed 2—5 on a roll call vote, Zelenock, Otto, Chick, and Dockett opposed.**

- ▶ **Motion #9:** Zelenock moved, Chockley seconded, to exclude the four new marijuana businesses—temporary marijuana event, marijuana event organizer, excess marijuana grower, and designated consumption establishment—from the ordinance until the Planning Commission reviews and the Township Board adopts an ordinance that includes them. **Motion #9 carried 6—1 on a roll call vote, Beliger opposed.**

- ▶ **Motion #10:** Chockley moved, Manley seconded, that recreational marijuana retailers be collocated with a medical marijuana establishment.

**Northfield Township Board Meeting
Minutes of Regular Meeting
Public Safety Building; 8350 Main Street
November 12, 2019**

Chockley explained that this is based on a requirement in East Lansing which they adopted to limit the number of marijuana business locations. Chick noted there are no existing medical marijuana facilities currently in the Township. Chockley also noted that East Lansing requires an annual donation from marijuana businesses to certain types of local 501(c)3 organizations. The Board discussed the pros and cons of that idea.

Motion #10 withdrawn.

Chockley also noted that State emergency rules are expiring January 3, 2020, and will be replaced by additional rules, so she questioned whether this ordinance is being adopted too early. She also noted Traverse City does not allow marijuana businesses in their DDA.

Motion #4 carried 6—1 on a roll call vote, Beliger opposed. Ordinance adopted.

**8.
Ordinance 19-67:
Add Chapter 23 to the Code of Ordinances
to Establish a Permitting Process
for Marihuana Establishments**

- ▶ **Motion:** Chick moved, Otto seconded, to adopt Ordinance 19-67 to add Chapter 23, Marihuana Facilities, to the Code of Ordinances. **Motion carried 4—3 on a roll call vote, Beliger, Manley, and Chockley opposed. Ordinance adopted.**
- ▶ **Motion:** Otto moved, Dockett seconded, to hire a temporary administrative assistant to assist with the permit processing once the marijuana business application process is in place.

The Board discussed hours, rate of pay, qualifications, and increasing the size of government.

Otto withdrew her motion.

Beliger asked when it will be appropriate to consider the effect of these ordinances on the Police Department. Comments included that a survey of townships which have had medical marijuana businesses could be done, medical marijuana ordinances have been shown not to affect police calls, and any new business has an effect on local government services.

**9.
Extension of Sunset Clause in Ordinance 19-70,
an Ordinance to Amend Ordinance 18-62,
Prohibition of Marijuana Establishments**

Burns said the expiration of the opt out should expire at the same time the adopted ordinances take effect, and the zoning ordinance will take effect on December 17, 2019. Township Planner Mario Ortega said it is best to clarify this for the benefit of those who have been waiting to submit applications. The Board discussed options

- ▶ **Motion:** Zelenock moved, Chick seconded, that the sunset clause of Ordinance 19-70, *an Ordinance to amend Ordinance 18-62, Prohibition of Marijuana Establishments*, be extended to December 17, 2020. **Motion carried 7—0 on a roll call vote.**

**3.
Update on Sewer Back-up Claim**

Otto noted the affected property owners have already spent over \$17,000 on two claims. She said she would like a report from the Township's insurance company by the next meeting and the Township should pay for the property owners' expenses out-of-pocket, to be reimbursed by its insurance company, if necessary.

**2.
Resolution 19-613:
Fiscal Year 2019-20 Budget Amendment #1**

- ▶ **Motion:** Chockley moved, Chick seconded, to adopt Resolution 19-613 to amend the fiscal year 2019-20 budget. **Motion carried 7—0 on a roll call vote. Resolution adopted.**

**4.
Purchase Offer for 75 Barker Road**

- ▶ **Motion:** Chockley moved, Otto seconded, to postpone to the next Board meeting action on the purchase offer for 75 Barker Road.

Aynes reported there are currently offers of \$275,000 and \$350,000.

Motion carried 7—0 on a voice vote.

**5.
TerraFirma Request to Rezone Properties
from AR to LI**

- ▶ **Motion:** Chockley moved, Chick seconded, to approve the rezoning from AR-Agricultural to LI-Limited Industrial for 6410 Whitmore Lake Road to operate a landscaping business with outdoor storage of materials; Parcels 02-29-200-003 and 02-29-200-004. **Motion carried 7—0 on a voice vote.**

**6.
TerraFirma Request for Conditional Use Permit
to Operate Landscaping Business
with Outdoor Storage of Materials**

- ▶ **Motion:** Chick moved, Otto seconded, to approve TerraFirma's request for conditional use to operate a landscape business with outdoor storage at 6410 Whitmore Lake Road subject to the conditions for approval of the Planning Commission. **Motion carried 7—0 on a voice vote.**

**Northfield Township Board Meeting
Minutes of Regular Meeting
Public Safety Building; 8350 Main Street
November 12, 2019**

TRUSTEE/LIAISON REPORTS

- ▶ **Motion #1:** Beliger moved, Manley seconded, that the Trustee/Liaison Reports be accepted as presented.
- ▶ **Motion #2:** Zelenock moved, Otto seconded, to accept with regret the resignations of Patrick Kelley, Jacob Donner, and David Perry from the Land Preservation Committee. **Motion #2 carried 7—0 on a voice vote.**

Motion #1 carried 7—0 on a voice vote.

ANNOUNCEMENTS

Board members made announcements, including:

- Appointments for DDA, Planning Commission, and Parks and Recreation will be coming up soon and applications from the public are welcome.
- Thanks to everyone who worked on the very successful Trunk or Treat event.
- Congratulations to the Northfield Township Historical Society on the receipt of a grant.
- Kiwanis Christmas Tree sales will begin Saturday, November 29th at 75 Barker Road. There is a shortage, so only 50 will be available.
- There is great need for people to participate in the Adopt-A-Family program operated by Northfield Human Services.

SECOND CALL TO THE PUBLIC

Dan McLean, 9650 Main Street, made suggestions for handling multiple versions of documents. Adam Olney noted that appointments by the Board need to be updated on the Township website and thanked the Board for listening to voters about the marijuana issue. David Gordon thanked the Board for adopting the marijuana ordinances, asked for action on energy savings, suggested the extension of fast internet service down Main Street to attract businesses, and suggested indexing Board packet documents with page numbers.

BOARD MEMBER COMMENTS

Comments included:

- Adoption of the marijuana ordinances will be transformational for the community.
- Community members are welcome to make donations to repay Adam Chabaan for the expenses he incurred to remove graffiti from the Barker Road/US-23 overpass. Consideration of using Parks and Recreation funds was suggested.
- Thanks to voters and those who attended the meeting.
- Agendas and packets still need to be improved.

ADJOURNMENT

- ▶ **Motion:** Beliger moved, Chockley seconded, that the meeting be adjourned.
Motion carried 7—0 on a voice vote.

The meeting adjourned at 10:44 P.M.

Submitted by Lisa Lemble.

Corrections to the originally issued minutes are indicated as follows:
Wording removed is ~~stricken through~~;
Wording added is underlined.

Approved by the Township Board on _____, 2019.

Kathleen Manley, Clerk

Official minutes of all meetings are available on the Township's website at http://www.twp-northfield.org/government/township_board_of_trustees/

Memo

From: Marlene Chockley, Supervisor
Subject: Inclusion of Planning Commissioner on the North Village Subcommittee
Date: November 21, 2019

Action Requested

Approval to include another planning commissioner to serve on the North Village Subcommittee.

Background

The Board established a subcommittee of 3 DDA members and 3 Northfield Trustees to evaluate proposals from developers for the North Village. Although Ms. Chick is the Board representative to the subcommittee, the DDA believes that the addition of another member of the planning commission would be helpful in making sure that concerns of planning are discussed.

There is no additional cost to this proposal.

Consent Agenda : Correspondence

Supervisor's Report

From: Marlene Chockley

RE: Report on the Michigan Downtown Association Fall Conference

Date: November 18, 2019

Trustees,

DDA Chair Barb Watkins and I attended the 2019 MDA Fall Conference. It was a valuable experience with a lot of good information and networking opportunities. Below is some information gleaned from that conference to consider as we work at trying to improve Downtown.

Key Note Speaker – John Gallagher, Detroit Free Press Senior Business Columnist

Mr. Gallagher spoke about what he sees as important in the revitalization of the Detroit Downtown. Several initiatives have broken the inertia that is government and have forged success: the Eastern Market is now a non-profit, Cobo Hall is a regional authority, Campus Martius Park is managed by the Downtown Detroit Partnership, and The Riverwalk.

He asserts that *programming* is more important than design—consider Campus Martius.

- Music
- Food trucks, food stands, a tiki bar
- Skating
- Kids' activities
- Tree lighting
- Chess/checkers tables
- Basketball nets
- Seating options with moveable furniture so people can gather and make their own spaces

Capitol Park is another example of a mixed-use area with street life and a Christmas market. He emphasized the importance of large clear glass windows so people can see into the stores and be drawn in. New market tax credits and historic district credits can help to improve downtowns.

HELP! Wanted Talented Workforce to Work and Live Downtown

Work to draw large employers. Employers go where the talent is. Millennials and retirees want to live in downtown areas. There is a lack of low, workforce, and market rate housing coming on line. The cost of living is outpacing supply.

To attract employees, we need to have cool spaces and remove barriers. Infrastructure is very important. Technology needs fiber, transportation, and affordable housing (perform a housing needs assessment).

The State provides incentives in the Redevelopment Ready Communities program, redevelopment liquor licenses, and PA 210—for rehabilitation of commercial property.

Housing density is good, but we need to provide amenities that improve the quality of life: schools, mobility, and parks.

An Entrepreneur's Success Story in Holland, Boyd Feltman—CEO & Owner, Peachwave Frozen Yogurt Brand

Mr. Feltman stressed that the rules must be fair for everyone. Requests for deviations were simple and fees were reasonable. Taxes help keep the downtown nice. Holland invests in the downtown. Strong beautification efforts make the area inviting.

Marketing your Town on a Shoestring Budget, Molly Lalone, Executive Director, Lake Orion DDA and Kim Rivera, Owner and Senior Creative Director, New Moon Visions

Create a brand kit for consistency. See Lake Orion's. It is worth the money to pay to create a logo. Get a spec sheet for quick reference to the fonts and colors and their codes. Examples of fonts are Miller and Avenir. The spec sheet can be given to volunteers after that to maintain consistency. Show all the versions of a logo format and identify the guidelines for uses. Include logo rules including "Don't do this" examples. Use vector files for crispness in printing. Have events and partners unify for consistency.

Fact sheets create a consistent message. Focus on increasing foot traffic, make magic moments.

Set goals to quantify focus—who, what, where, when, how, and why. Consider sponsors and their needs and make it worthwhile for them.

Internal vs. external marketing campaign

Internal—your downtown merchants and vendors. What's in it for them? What do they need to do and when? I.e. Facebook or other promotions: Sharing is caring—promote your store's participation in this event. Invite your customers on Facebook. Use the social media graphics and share the posts you see.

External—your audience. What's in it for them? What will it cost? What do they need to know?

Event focus—call to action. Post event, time, and place. Honor and recognize sponsors.

Use an event banner, social media, Instagram square, Facebook/Instagram story, or Facebook live.

Newsletter—announce before the event, thank sponsors after the event. Use postcards.

Branding Committee—get volunteer professionals, but need 3 quotes.

Free or cheap software:

Canva.com

SnapRetail!

Mailchimp

Hootsuite.com

Facebook insights

Planoly.com—schedule posts on a calendar

Sprout Social

Iconosquare

Phlanx

Bitly

Keyhole

<https://marketingplatform.google.com/about/data-studio/>

Up in Smoke: The Latest Updates Regarding Recreational Marihuana, Andrew Brisbo, Executive Director, Marijuana Regulatory Agency

The Michigan Medical Marihuana Act was approved by voters in 2008. Executive Order 2019-7 created the Marijuana Regulatory Agency.

Currently, there are 276,970 patients (453 are minors) and 37,875 caregivers. Ninety-three percent of the patients have pain.

The Medical Marijuana Facilities Licensing Act (MMFLA) was passed in 2016.

Commercial licenses:

- 1106 are pre-qualified.
- 355 licenses have been issued (175 provisioning centers, 143 growers, 19 processors, 12 transporters, and 6 labs). **There is a need for transporters and labs.**

Administrative Rules set safety standards. Fees to apply to the state are \$6000/application, mostly for background checks. The regulatory assessment costs \$10,000 to 67,000 annually.

One hundred twenty-eight of 1773 total municipalities have authorized marihuana.

The statewide monitoring system will track each marihuana plant through all its stages with RFID trackers.

Establishments generate \$6 to 7 million/week. Credit unions and banks are now being approved for deposits, but there are still some complications.

The Michigan Regulation and Taxation of Marihuana Act (MRTMA) was authorized in 2018. There is a 10% excise tax on recreational marihuana; none on medical marihuana.

They have added 4 low-cost licenses for excess growers, event organizers, temporary events, and designated consumption establishments. Fees will be \$6000/application and the license will cost \$3000 to \$50,000/year.

Visit Michigan.gov/MRA for advisory bulletins.

Session One: To Ban or Not to Ban, David Haywood, AICP, East Lansing Planning and Zoning Administrator

East Lansing has had medical marihuana for many years. They modeled their new Ordinance after that one. It requires a recreational marihuana retailer to be co-located with a medical marihuana establishment. It also requires the retail establishment to donate to a community non-profit.

From their ordinance: "The operators of the marihuana retail establishment shall provide an annual donation in the amount of 1% of net profits from its operations or \$5,000.00, whichever amount is greater, to an organization qualifying for exemption from taxation pursuant to 26 USC 501(c)(3) largely benefitting the residents of East Lansing and organized and operated exclusively for purposes of improving the lives of people with low to moderate income, conserving or improving natural resources, or preventing cruelty to children or animals, and with the use of the funds being in accordance with MCL 125.3504."

Their ordinance establishes a 1000-foot buffer from any school, including any licensed facility with after school programs, childcare centers, or daycare centers, to insure community compliance with federal "Drug-Free School Zones" requirements.

The East Lansing ordinance created an overlay district for their establishments to focus the location of the facilities better.

Tips, Tricks and Tools for Business Recruitment, Dana Kollewehr, Vitality Specialist, Michigan Main Street Community Development, Michigan Economic Development Corporation

Dana discussed community driven business development and cited the Michigan Main Street Program as assisting with this. Economic Vitality consists of new development, existing small business, redevelopment, and recruitment.

- Assess the existing economic condition
- Interpret the information
- Identify available properties/sites
- Determine small business incentives and resources
- Create and distribute information

Demographic information can be found at US Census on the Map to develop a market study.

MIPlace.org is a good resource. Get a template for marketing parcels. State what you want, provide data, identify the business district, and provide testimonials.

See Charlevoix, Howell, Wayland, Lapeer, Three Rivers, Grayling, Boyne, Downtown Lansing. Have a current on-line presence.

The Role of Retail in the Business Mix; How to Build and Maintain a Vibrant Commercial District, Meegan Holland, VP Communications and Marketing, Michigan Retailers Association

Need a critical mass of 3 blocks with the right business mix:

- 10 businesses that sell food (ex. coffee, bistro, bakery, wine, deli)
- 10 retail businesses (not second hand)
- 10 businesses open after 6 PM (ex. movies, music, bars, entertainment)

Basics

1. Need a Champion
2. Create a clean, safe neighborhood
3. Know your town
4. Develop Relationships

Example: Lansing

- Public buildings
- Gathering places
- Cultural venues
- Destination restaurant
- Need retail
- Need "a different draw"

Shared Vision: Strive to be what you really can be. Be realistic and inventive.

There is a great difference between what one group of stakeholders wants and what the market will support. The Urban Land Institute has information that can be helpful.

Relationships!!! Get them. Meet planning, police, and officials.

In-fill FIRST!

Do a market study. Data sources:

- Demographics Now
- Data USA
- US Census
- Labor Demographics

Focus your efforts—Start with 1 or 2 blocks.

- Go where property owners are enthused
- Best block
- Stress the value of anchors

When it comes to recruiting businesses, act like a shopping center manager to attract and screen tenants. Have landlords come together to support the vision to obtain the best mix of tenants.

FACT: 70% of all consumer retail spending, including that of visitors, now takes place during evening hours.

Businesses that help downtowns:

1. Grocery/pharmacy
2. Mixed use developments
3. Specialty shops
4. Restaurants with outdoor seating
5. Open air markets
 - Start-ups
 - Second hand stores
 - Great for small business owners who often have less money
 - Artists/art galleries

Parking is needed.

Let me know if you have any questions. I hope you will be as excited about using some of this information to energize the downtown as I am.

Respectfully submitted,

Marlene Chockley

1. **Saving TIF and the Future of your Downtown...**Khorey, Sheppard
This session concentrated on ways to prepare for the renewal process when the TIF Plan is near the end. In our case, we established a thirty year TIF Plan, and are not even half way through that period. There was emphasis on not making any boundary changes prior to renewal time, and even then, just cleaning up straggler properties that no longer are pertinent. If a change in size of the TIF district is desired at the reapplication time, it is not recommended to shrink the district. If a larger district is pursued, that increases the likelihood of a taxing entity trying to opt out. It is recommended to start the process of reapplication two years in advance.
2. **Tree Talk, Downtown Trees...**Tobar, Bahm
This session was presented by landscape architects who demonstrated the complex drainage system and root support system needed to plant and maintain downtown trees. It is much more involved than simply cutting a hole in the sidewalk and planting some trees. The trees also need annual pruning, and a lot of thought needs to be put into the types of trees that would fit in a downtown area and allow good visibility of businesses. Bottom line: have a landscape architect do this project.
3. **Walkability and Public Spaces as an Economic Driver...**Wallace, Munger
This session focused on the revitalization projects in downtown Cadillac. There are Place Planning Grants, Brownfield Tax Credits and Historic Preservation Tax Credits available for REDEVELOPMENT READY COMMUNITIES. Emphasis was on having a group of opportunity zones within walking distance of each other downtown. It was noted that the most important factor in having developers offer to help revitalize a town is to have the township officials willing to talk to them and work with them in an organized fashion.
4. **Tips, Tricks and Tools for Business Recruitment...**Kollewehr
This session emphasized "Main Street" Programs and ways to let potential businesses know that your township is organized in it's understanding of your downtown's availabilities. They recommended: Update the building and business inventory list, Collect market data for needs, Identify gaps in the supply and demand, Create "cut sheets" for empty commercial buildings that may not be listed with a realtor, and Developing a hand-out (paper and website versions) for opening a business in our community.
5. **Liquor License for Downtown (Redevelopment)...**Allen, Siegler
This session detailed the program, which we have already pursued, for DDA's to acquire these licenses for businesses within the DDA district for approximately \$22,000. Regular, Class C, licenses are about \$150,000. The DDA licenses are only available if there are no Class C licenses left for purchase from the LCC.

Public Parking at 75 Barker

Barb Griffith

Thu 11/21/2019 7:49 AM

To: Board of Trustees <boardoftrustees@Northfieldmi.gov>; Dana Forrester <artist@lovelymonkeyink.com>; Denise Kabisch <dkabisch@med.umich.edu>; Jack Secrist <secristj@aol.com>; dougrw56@gmail.com <dougrw56@gmail.com>; Anne Iaquinto <anneiaquinto@chartermi.net>; Jeni Olney <jenidietch@gmail.com>

Dear Board of Trustees:

As chairperson for the Downtown Development Authority, I have been asked to communicate with you regarding the only public parking lot that we have in our downtown district. We are aware of the interest in the sale of 75 Barker and are imploring you to please stipulate any purchase agreement to include the use of that parking lot for public parking. Ever since the establishment of the DDA, we have been the only township authority that has paid for the maintenance and improvements of that parking lot.

We feel that the availability of public parking at that location is vital to any existing and future businesses in downtown Whitmore Lake. Please consider our plea.

Respectfully,
Barbara Watkins

Correspondence

From: djgordon61

Sent: Wednesday, November 20, 2019 3:42 PM

To: Marlene Chockley <chockleym@Northfieldmi.gov>; Kathy Manley <manleyk@Northfieldmi.gov>; Lenore Zelenock <zelenockl@Northfieldmi.gov>; Jacqueline Otto <ottoj@Northfieldmi.gov>; chickj@twp.northfield.mi.us; Wayne Dockett <dockettw@Northfieldmi.gov>; Tawn Beliger <beligert@Northfieldmi.gov>

Subject: When is the Q&A going to happen?

Hello Madam Supervisor & Board:

Every "Call to the Public" begins with the announcement that "this is not a Q&A" and as a result, lots of questions go unanswered.

I've asked more than once "When is the time for Q&A?" but have never gotten an answer.

Two meetings ago, Marlene, you said it was a "good idea" so I'm asking again, when is it going to happen?

I'd like to suggest the Board establish a regular time and place for this public dialogue because after all, you ran on a platform of transparency and outreach.

Sincerely,
David Gordon

PS- I would like this email included in the next Board packet.
Thank you.

Agenda Item 1

To: Township Board
From: Steve Aynes, Township Manager
RE: Update on Sewer Backups
Date: November 20, 2019

I received a copy of the enclosed letter dated November 20, 2019 addressed to Mr. Ryan Spina regarding his insurance claim. This involved sewer backups at Mr. and Mrs. Spina's house located at 9121 Lakewood Dr., Whitmore Lake, MI 48189. It was suggested at the time of the first event that Mr. and Mrs. Spina also submit a claim to their own insurance company. They objected to this.

This letter was sent by the Claims Adjustor assigned by the Township's Insurance Carrier to review this claim. The insurance company received a report back from the adjuster who field inspected the claim. The adjuster contacted Mr. and Mrs. Spina. Mr. Willis and I were also interviewed by the claim adjuster.

The provider of the Township's insurance has denied the claim.

Dan Willis, Wastewater Treatment Plant Superintendent, also submitted an updated report which is enclosed. Mr. Willis describes the events leading up to November 20, 2019.



November 20, 2019

Mr. Ryan Spina
9121 Lakewood Drive
Whitmore Lake, MI 48189

Re: Program: Michigan Township Participating Plan
Our Insured: Northfield Township
Date of Loss: 9/7/2019, 10/14/2019 and 11/13/2019
Our Claim No: MI1 194658
Claimant: Ryan Spina

Dear Mr. Spina:

Tokio Marine HCC - Public Risk Group administers insurance claims on behalf of the Michigan Township Participating Plan and the U.S. Specialty Insurance Company ("USSIC") which provides the insurance coverage for Northfield Township. We received your claim in which you sustained property damage on or about September 7, 2019; October 14, 2019 and November 13, 2019 when the Township's sewer system allegedly back flowed into your home.

Our investigation of this claim did not find liability on behalf of Northfield Township. Pursuant to the Governmental Immunity Act, MCL 691.1401 to 691.1419, (Public Act 222 of Public Acts of 2001), the Act states that "A governmental agency is immune from tort liability for the overflow or backup of a sewage disposal system unless the overflow or backup is a sewage disposal system event and the governmental agency is an appropriate governmental agency." In order for a claimant to collect compensation for the property damage caused by a sewer backup, the claimant must show that all of the following existed at the time of the event:

- (a) The governmental agency was an appropriate governmental agency.
- (b) The sewage disposal system had a defect.
- (c) The governmental agency knew, or in the exercise of reasonable diligence should have known, about the defect.
- (d) The governmental agency, having the legal authority to do so failed to take reasonable steps in a reasonable amount of time to repair, correct, or remedy the defect.
- (e) The defect (means a construction, design, maintenance, operation, or repair defect) was the substantial proximate cause of the event and the property damage or physical injury.

According to Act 222 of Public Acts of 2001, all the following conditions must be met in order for the Michigan municipality to be liable. The cause of loss of all three backups was wipes and paper products that were flushed into the sewer system that blocked the main line. The City is not responsible for what persons flush into its sewer system and/or the resulting property damage. The City had no prior notice of any problem within its sewer system. Upon notice, the City responded within a reasonable amount of time and cleared the line.

**JAMES E. COX
NORTHFIELD TOWNSHIP
WATER POLLUTION CONTROL FACILITY
11500 LEMEN ROAD WHITMORE LAKE MICHIGAN
PHONE 734-449-4159 FAX 734-449-4302**

To: Northfield Township Board

From: Dan Willis -Wastewater Treatment Plant Superintendent

Date: November 20, 2019

Subject: Lakewood Drive Sewer Backup

September 7th we received a phone call from the homeowner at 9121 Lakewood dr. We found the manhole at the corner of lakewood and Barker backed up, we found a manhole that was the second one downstream that was dry and jetted the line and broke loose the blockage. We recovered a manhole block and 3-4 buckets of rags out of the manhole.

September 10th we contracted with PowerVac and the cleaned and vactored the sewer from Lakewood downstream 3 sections of pipe

September 12th did visual inspections of the manholes along Barker and found no problems.

October 14th Homeowner on Lakewood called to report another backup in his basement. Found a blockage one section further downstream from the original problem. The line was jetted and the blockage was removed.

October 15th Returned and jetted 8 sections of sewer lines, upstream and downstream of the problem. Once again removed rags and a partial manhole block.

October 17th Televised the same 8 sections of sewer and found no defects or debris in the sewer. We are daily doing a visual inspection of manholes.

November 12th manholes were inspected at 10:30 am and found no problems.

November 13th homeowner on Lakewood called to report his neighbor had water in their basement. Manholes were backed up downstream all the way down to the other entrance to the sub, where 4 manholes downstream we found rags blocking the pipe. This blockage was removed and flow was restored.

November 14th we contacted maintenance team at the WL school and they said that they had 2 blockages at the school 2 months and 1 month before and they used a service to clean out the sewers at the school on Barker. This roughly corresponds with the dates of the backups. We continue to do daily inspections.

November 20th we televised the Barker sewer from Lakewood to the school and found no defects or debris.

Agenda Item 2

To: Township Board
From: Steve Aynes, Township Manager
RE: Ordinance 19-71: Amendment to *Prohibition of Marijuana Establishments Ordinance* to Extend Sunset Clause until December 21, 2019 to coincide with Marihuana Zoning Ordinance and Marihuana Permitting Ordinance effective dates
Date: November 20, 2019

The Marihuana Ordinances were sent to the Ann Arbor News for publication on Thursday, November 14th for publication in the Sunday, November 17th newspaper. Due to a miscommunication with the newspaper, the ordinances did not get published on Nov. 17th as originally planned. The sunset clause extension date of December 17th previously set by the board was based on an effective date of 30 days after publication. Since the publication date was later than anticipated, the effective date of the Ordinances is now December 21st. In order for the sunset clause to end when the ordinance becomes effective, the board will need to extend the sunset clause through December 21, 2019

Draft Motion: I, _____, seconded by _____, move that the sunset clause of *Ordinance 18-62, Prohibition of Marihuana Establishments Ordinance* be extended to December 21, 2019.

ORDINANCE NO 19-71

An Ordinance to Amend Ordinance 18-62: Prohibition of Marihuana Establishments Ordinance

TOWNSHIP OF NORTHFIELD, WASHTENAW COUNTY, MICHIGAN HEREBY ORDAINS:

An Ordinance to amend Northfield Township Ordinance 18-62: Prohibition of Marihuana Establishments Ordinance by amending the following provision as follows:

Section 3. Sunset Provision

Unless Township Board votes to extend or modify the provisions of this Ordinance, the prohibition contained herein shall expire on _____, 20____.

Ordinance amendment declared adopted on November 26, 2019.

Marlene Chockley
Supervisor, Northfield Township

ATTEST:

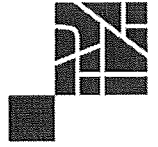
Kathleen Manley, Clerk

I, Kathleen Manley, Northfield Township Clerk, hereby certify as follows:

- A. The above Ordinance was passed by the Northfield Township Board of Trustees on the _____ day _____ of 2019.
- B. A true copy of the Ordinance was published in Ann Arbor News, a newspaper circulating within the Township, on the _____ day of _____, 2019 and;
- C. The effective date of the above Ordinance is the _____ day of _____,2019.

NORTHFIELD TOWNSHIP BOARD

By: _____
Kathleen Manley, Clerk



MCKENNA

November 20, 2019

Township Board
Northfield Township
8350 Main Street
Whitmore Lake, MI 48189

MEMORANDUM: Marihuana Proposed Application Procedures

Honorable Trustees,

Please find the following materials in your packet for review

A: REQUESTED MATERIALS FOR DISCUSSION

As requested by the Board, we have provided the following materials to review:

1. A document entitled "Notice of Application Procedures"
 - a. This document outlines a procedure for receiving application on the date the Township chooses to begin accepting applications.
2. The proposed Marihuana Facility preliminary application and application
3. A document called "Marihuana Facility Voluntary Local Development Agreement (MFVLDA)"
 - a. This document is a recommended voluntary applicant evaluation that will help ensure local benefit to Marihuana businesses siting in the Township
 - b. It is based on the Grand Rapids, Marihuana Industry Voluntary Equitable Development Agreement
 - c. This is our recommended tool and it has been added to the application
4. The Grand Rapids, Marihuana Industry Voluntary Equitable Development Agreement (*Reference*)
5. The previously shared "Marihuana Facility Scoring Criteria" (*Reference*)
 - a. This is based on a system used in Buena Vista Township
 - b. It is our understanding that the Board felt this system is too encumbering, it is included here only for reference.

The Board may take any of the following actions:

- 1. Recommend modifications to the proposed procedures or materials***
- 2. Discuss setting a date for accepting applications***
- 3. Authorize the Township Manager to proceed in working with staff to execute***

B: MCKENNA ASSISTANCE

McKenna can make staff available to the Township to assist in accepting applications at the hourly Zoning Administrator rate (\$60) according to our contract with the Township. We recommend authorizing 2 staff persons for 8 hours each, totaling \$960. Director, Paul Lippens is likely not needed but can also be available on call. McKenna's talented staff of professionals will be available to quickly and comprehensively process the applications. All costs incurred by the Township can be covered by the application fees.

Northfield Township Marihuana Business Notice of Application Procedures 11/21/19

The following administrative procedures are here-by established by the Northfield Township Manager for the purposes of receiving and evaluating applications to establish Marihuana Facilities. These procedures ensure the fair application of Ordinance 19-66 and Ordinance 19-67.

1. The Township will begin accepting applications on December 26, 2019 at 8:00 A.M. at the Township Offices, 8350 Main Street, Whitmore Lake, MI, 48189. Applications will be accepted until noon on January 2, 2020.
2. Applications must be made by a hard copy; no electronic applications will be accepted. The Township will time-stamp the Pre-Application Questionnaire at the time of submittal.
3. The application materials will be made available prior on the Township website on the building and planning document center.
[http://www.twp-northfield.org/services and departments/documents - building and zoning.php#revize document center rz221](http://www.twp-northfield.org/services_and_departments/documents_-_building_and_zoning.php#revize_document_center_rz221)
4. One application is required per site. Applicants may file multiple applications.
5. All Applications will be assigned a random order for processing when the application window closes at noon on January 2, 2020.
6. Applicants do not need to line up prior to December 26 at 8:00 to secure a place in line. Applicants will be notified via email of the number of applications received during the application window and the randomly assigned place.
7. Applicants arriving after noon on January 2, 2020 will be processed in the order received, but will not be processed until the Township completes the processing of applications received during the December 26, 2019 to January 2, 2020 application window.
8. Any applicant wishing to submit a Marihuana Facilities application must have all application materials completed in advance of submittal for a timely submittal process, including:
 - a. A completed Marihuana Pre-Application Questionnaire
 - b. A completed Northfield Township Marihuana Facilities Permit application
 - i. Including a non-refundable \$5000 fee per application; which shall be made by cashier's check, or similar
 - c. A completed non-refundable Zoning Compliance application
 - i. Including a non-refundable \$200 fee per application; which shall be made by cashier's check, or similar
 - d. Note: Site Plan and Conditional Use applications and fees will be required upon a positive determination of complete Marihuana Facilities Application AND Zoning Compliance.
9. The Township intends to notify persons submitting applications of application completeness on or before January 30, 2020.

**Township of Northfield
Marihuana Facilities Permit
PRE-APPLICATION QUESTIONNAIRE**

Instructions to Applicants: If you are applying for a Township of Northfield Marihuana Facilities Permit, this form must be completed prior to filling out the Marihuana Facilities Permit Application form. The Marihuana Facilities Permit Application form will not be accepted without this completed pre-application questionnaire.

Facility name: _____

Facility address: _____

Date: _____

Please indicate, by checking YES or NO, if your establishment meets the following criteria. Proof via appropriate documentation must be attached, and is subject to Township review.

- 1. Has the business filed a Township *Zoning Compliance Application*? Yes No
- 2. Has the business received pre-approval for the required *State License*? Yes No
- 3. Does the business have legal possession or ownership of the business location? Yes No

Signature of Authorized Representative

Printed Name

If all of the above have been answered YES, the applicant may submit an application for a Marihuana Facilities Permit. Fill out the Township of Northfield permit application form. Attach this completed questionnaire to the permit application and submit with the \$5000.00 application fee and all other attachments to the Township Planning Department, 8350 Main Street, Whitmore Lake, Michigan 48189-0576, (734) 449-5000, Fax: (734) 449-0123

If any of the above have been answered NO, the applicant is not eligible to apply for a Marihuana Facilities Permit as designated under Chapter 23 and Chapter 26 of the Code of Northfield Township. Applicants that are not yet able to meet the minimum criteria will not be considered by the Township of Northfield. Do **NOT** fill out an application.

➤ Please see the reverse side of this pre-application questionnaire for important information regarding the permit application process.

Additional Information:

- The Zoning Compliance permit must be applied for and obtained from the Township Planning Department at 8350 Main Street, Whitmore Lake, Michigan 48189-0576, 734-449-5000, Fax: 734-449-0123. A Zoning Compliance permit is only issued following site plan approval and conditional use approval.
- A Certificate of Occupancy Permit application will require an inspection and may trigger building code compliance for structural, electrical, plumbing, or other code issues. Applications can be obtained from and applied for at the Building Permit Desk at 8350 Main Street, Whitmore Lake, Michigan 48189-0576, 734-449-5000, Fax: 734-449-0123
- If your application is complete, you will receive official confirmation from Township staff. Issuance of a permit authorizes operation of the facility only after submission to the Township Clerk of a copy of the State license when issued.
- For more information on Township permit requirements, see Chapter 23 of the Township Ordinance
- For more information on Township zoning requirements, see Chapter 36 of the Township Ordinance

TOWNSHIP OF NORTHFIELD

MARIHUANA FACILITIES PERMIT APPLICATION

Please return completed application and **\$5000 permit fee** to:
 Northfield Township Office
 8350 Main St., Ste. A
 Whitmore Lake, MI 48189

Date Submitted: _____

Permit #: _____

NEW **RENEWAL** – Applications may be submitted 90 days prior to existing permit expiration.

Type of Permit Requested:

- Grower – Maximum Number of Plants Requested: _____
 Recreational: Class A Class B Class C
 Medical: Class A Class B Class C
 Adult Use (Recreational Retail) Provisioning Center Microbusiness
 Processor Secure Transporter Safety Compliance Facility

FACILITY NAME & LOCATION	<i>Business Name</i> _____ <i>Website</i> _____
	<i>Address</i> _____ <i>Zip</i> _____ <i>Ph</i> _____
	<i>Suite or Unit #</i> _____
PROPERTY OWNER(S)	<i>Name</i> _____ <i>Ph</i> _____ <i>Fax</i> _____
	<i>Address</i> _____ <i>Zip</i> _____ <i>Email</i> _____
	Are there additional property owners? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes , attach a separate sheet listing this information for each additional owner.
FACILITY OWNER(S)	<i>Name</i> _____ <i>Ph</i> _____ <i>Fax</i> _____
	<i>Address</i> _____ <i>Zip</i> _____ <i>Email</i> _____
	This facility is owned by: (check one) <input type="checkbox"/> me as the individual owner <input type="checkbox"/> corporation <input type="checkbox"/> limited liability company <input type="checkbox"/> partnership <input type="checkbox"/> sole proprietor with an assumed name For any other than "me as the individual owner," attach a separate sheet listing this information for all directors, officers, members, partners, and individuals.
FACILITY or BUSINESS MANAGER(S)	<i>Name</i> _____ <i>Ph</i> _____ <i>Fax</i> _____
	<i>Address</i> _____ <i>Zip</i> _____ <i>Email</i> _____
	Are there additional facility managers? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes , attach a separate sheet listing this information for each additional person.

FELONY CONVICTIONS

Each person named on the application (i.e. facility owners including all names associated with a corporation, facility managers, and property owners) must fill out the following statement. Please duplicate this sheet and attach one copy for each person named on the application.

Name _____

Have you ever been convicted of a felony involving controlled substances as defined under the Michigan public health code, MCL 333.1101, et seq, the federal law, or the law of any other state? Yes No

If yes, what is the date of the conviction(s) and the law(s) under which you were convicted?

Have you ever been convicted of any other type of felony under the law of Michigan, the United States, or another state? Yes No

If yes, what is the date of the conviction(s) and the law(s) under which you were convicted?

I hereby certify that the felony conviction information provided is true and correct.

Signature: _____ Date: _____

Print Name of Signature and Title: _____

SECURITY MEASURES

Have the security measures required under Section 36-761 Standards for Marihuana Establishments and Facilities of Chapter 36 been installed?

Yes No

If no, what is the anticipated date of installation: _____

VOLUNTARY MARIHUANA BUSINESS LOCAL DEVELOPMENT AGREEMENT

Does the application include a signed Voluntary Marihuana Local Development Agreement? Yes No

PROOF OF CONTROL OF PREMISES

Proof of the applicant's ownership or legal possession of the premises (such as a deed, lease, or other legally binding document) is attached. Yes No

ZONING COMPLIANCE

The facility's Zoning Compliance Permit application for Marihuana Facilities is attached. Yes No

CERTIFICATE OF OCCUPANCY – STAFF USE ONLY

The facility's Certificate of Occupancy is attached. Yes No Date Received: _____

The facility's Zoning Compliance Permit is attached. Yes No Date Received: _____

The facility's State Permit is attached. Yes No Date Received: _____

I, the undersigned, have the authority to sign this Application on behalf of _____ (the "Facility"). I have read all of the above answers and they are true and correct. The Facility agrees to comply with all terms and conditions of a permit as it may be issued.

Signature: _____ Date: _____

Print Name of Signature and Title: _____

Business Name: _____

Attachments Required at time of Application:

- Zoning Compliance Permit Application
- Proof of pre-approval for State License(s)
- Proof of legal owner or position of facility (e.g. lease, deed, etc.)
- Additional owner/manager pages (if necessary)

Applications and fees required upon successful determination of a completed Marihuana Facility Application and Zoning Compliance Application:

- Site Plan application
- Conditional Use application

Documents Required prior to Legal Operation of the facility under a permit that has been issued:

- Copy of State License
- Zoning Compliance Permit
- Certificate of Occupancy
- Insurance Documentation

OFFICE USE ONLY

POLICE

Notes: _____

Recommendation: _____ Date: _____

FIRE

Notes: _____

Recommendation: _____ Date: _____

ATTORNEY

Notes: _____

Recommendation: _____ Date: _____

TOWNSHIP MANAGER

Notes: _____

Recommendation: _____ Date: _____

CLERK

Permit Expiration Date: _____

Approved by Township Clerk's Office:

Comments: _____

Copy: Applicant/Planning/Township Clerk's Office (retains original)

Draft 11/15/19

Applicant:
Address:
License:

Marihuana Business Voluntary Local Development Agreement (MBVLDA)

This document is for voluntary use by any and all applicants applying for to open a Marihuana Business in Northfield Township. Participation in the MBVLDA program is voluntary. The selection by the Applicant of any voluntarily-offered conditions on the form is at the applicant's own discretion. However, once a completed, signed MBVLDA form has been submitted with a Marhuana Facilities Permit Application, it is legally enforceable. All voluntarily-offered conditions selected on the form will be required and implemented into the final approval of the project.

Each voluntarily-offered condition listed across 3 categories is of equal value. For example, if an applicant checks B. and C. under Category 1 (Local Residency), that applicant has two voluntarily offered conditions. The application with the highest number of checked voluntarily- offered conditions will receive application consideration precedence.

The selected voluntarily-offered conditions will be required to be shown on any/all required plans including the site plan and building/trade permit application and plans. If the checked voluntarily-offered conditions are not shown on the applicable plans, the Township may not grant approval of said plan/permits. Additionally, throughout construction and/or inspection subject to an approved permit, the Township Zoning Administrator shall confirm fulfillment of the selected voluntarily-offered conditions. Failure to comply may result in the denial of a Certificate of Occupancy and in all cases will result in the denial of the final permit.

Please read this entire document carefully.

By signing below, the applicant acknowledges all of the following:

- The applicant has read and understands all information contained in this document regarding the use and purpose of the MBVLDA.
- The applicant is choosing to participate in MBVLDA.
- The applicant understands that, once submitted this is a legally binding document and failure to comply shall result in the denial of plan approvals, permit issuance, inspection approvals, and/or the denial of a Certificate of Occupancy.

Signature of Applicant

Date

For Office Use Only

Instructions: Initial any of the following voluntarily-offered conditions you, as the applicant, will disclose, commit to, and/or include within the scope of the project. Applicants who are initialing and submitting this form as part of a Conditional Use (CU) application shall be the applicant/s for the CU request and shall be included on all State licensing applications. Please submit any supplemental documentation to the list as described below.

1) Local Residency (choose all that apply)

Verification Commitment: I understand that the Township of Northfield will verify adherence to these criteria annually for a minimum of three years, measured from the date of marihuana facility license issuance by LARA. I agree to provide the Township of Northfield information that the Township, in its sole discretion, deems necessary to verify satisfaction of these elements. I agree to self-report compliance using a form provided by the Township upon request.

Signature of applicant/s

Owner-applicant/s (having a minimum 25% ownership interest in the marihuana facility seeking CU approval) has/have resided for at least 1 of the last 5 years (minimum of 12 months) in:

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. Northfield Township
		C. Washtenaw County
		D. State of Michigan

Submittal: Driver's license or State of Michigan ID with an affidavit that includes years and address/es.

2) Local Economy (choose all that apply)

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. Commitment to hire 15% of employees or more who are Northfield Township residents, working more than 30 hours/week
		B. Commitment to hire 50% of employees or more who are Northfield Township residents, working more than 30 hours/week
		C. Commitment to hire minimum of 30 employees, working more than 30 hours per week.

Submittal: (A) Business tax records that demonstrate percent employees as Township or non-Township residents. By offering condition 2 (A and B), the applicant consents to the Township obtaining employee residency income tax percentages from the Income Tax Department. (C) Business records that demonstrate number of employees. By offering condition 2(C), the applicant consents to the Township obtaining withholding information from Income Tax Department to verify number of employees.

3) Streamlined Applications

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. No landscaping, parking, or other Planning Commission waivers are required.

Submittal: (A) Affidavit and documentation establishing that no sensitive use separation distance waivers are required for the property at issue.

CITY OF GRAND RAPIDS
DESIGN AND DEVELOPMENT DEPARTMENT – DEVELOPMENT SERVICES

**Marihuana Industry Voluntary Equitable Development Agreement
(MIVEDA)**

This document is for voluntary use by any and all applicants applying for City of Grand Rapids Marihuana Facility (MMF) land use approval for marihuana grower, marihuana processor, and/or marihuana provisioning center. Participation in the MIVEDA program is voluntary. The selection by the Applicant of any voluntarily-offered conditions on the form is at the applicant's own discretion. However, once a completed, signed MIVEDA form has been submitted with a land use application, it is legally enforceable. All voluntarily-offered conditions selected on the form will be required and implemented into the final approval of the project.

Each voluntarily-offered condition listed across 3 categories is of equal value. For example, if an applicant checks B. and C. under Category 1 (Local Residency), that applicant has two voluntarily offered conditions. The application with the highest number of checked voluntarily-offered conditions will receive application consideration precedence.

The selected voluntarily-offered conditions will be required to be shown on any/all required plans including the site plan and building/trade permit application and plans. If the checked voluntarily-offered conditions are not shown on the applicable plans, the City may not grant approval of said plan/permits. Additionally, throughout construction and/or inspection subject to an approved permit, a City Inspector and/or Planner shall confirm fulfillment of the selected voluntarily-offered conditions. Failure to comply may result in the denial of a Certificate of Occupancy and in all cases will result in the denial of the final permit.

Please read this entire document carefully.

By signing below, the applicant acknowledges all of the following:

- The applicant has read and understands all information contained in this document regarding the use and purpose of the MIVEDA.
- The applicant is choosing to participate in MIVEDA.
- The applicant understands that, once submitted this is a legally binding document and failure to comply shall result in the denial of plan approvals, permit issuance, inspection approvals, and/or the denial of a Certificate of Occupancy.

Signature of Applicant

Date

For Office Use Only

Instructions: Initial any of the following voluntarily-offered conditions you, as the applicant, will disclose, commit to, and/or include within the scope of the project. Applicants who are initialing and submitting this form as part of a Special Land Use (SLU) application shall be the applicant/s for the SLU request and shall be included on all State licensing applications. Please submit any supplemental documentation to the list as described below.

1) Local Residency (choose all that apply)

Verification Commitment: I understand that the City of Grand Rapids will verify adherence to these criteria annually for a minimum of three years, measured from the date of marihuana facility license issuance by LARA. I agree to provide the City of Grand Rapids information that the City, in its sole discretion, deems necessary to verify satisfaction of these elements. I agree to self-report compliance using a form provided by the City upon request.

Signature of applicant/s

Owner-applicant/s (having a minimum 25% ownership interest in the marihuana facility seeking SLU approval) has/have resided for at least 1 of the last 5 years (minimum of 12 months) in:

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. City of Grand Rapids General Target Area as defined by HUD
		B. City of Grand Rapids
		C. Kent County
		D. State of Michigan

Submittal: Driver's license or State of Michigan ID with an affidavit that includes years and address/es.

2) Local Economy (choose all that apply)

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. Commitment to hire 15% of employees or more who are City of Grand Rapids residents, working more than 30 hours/week
		B. Commitment to 24% or more of Micro LBE Participation
		C. Commitment to hire minimum of 30 employees, working more than 30 hours per week.

Submittal: (A) Business tax records that demonstrate percent employees as city or non-city residents. By offering condition 2 (A), the applicant consents to the City obtaining employee residency income tax percentages from the Income Tax Department. (B) Documentation of Micro LBE participation in accordance with City policies. (C) Business records that demonstrate number of employees. By offering condition 2(C), the applicant consents to the City obtaining withholding information from Income Tax Department to verify number of employees.

3) Streamlined Applications

APPLICANT INITIAL	APPLICANT √	VOLUNTARILY-OFFERED CONDITION TO BE INCLUDED IN PROJECT:
		A. No sensitive use separation distance waivers are required

Submittal: (A) Affidavit and documentation establishing that no sensitive use separation distance waivers are required for the property at issue.

Applicant:
Address:
License:

Marihuana Facility Scoring Criteria

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
I. Business Ownership			
Ownership Structure	Content and Sufficiency of information; Professionalism of submitted documentation including clear labeling of required items.	1	
Organizational Chart Provided		1	
Ownership Interests	At least 1 owner is an honorably discharged military veteran.	1	
	At least 1 owner has an advanced degree.	1	
Detailed Business Plan	Plan must be detailed with at least 3 year valid pro forma included.	1	
Owner-Occupied Building	At least 1 owner owns the building where the recreational Marihuana facility is located.	1	
Total - Business Ownership		6	

Reference

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
II. Financial Stability			
Applicant has disclosed and documented sources and total amount of capitalization to operate and maintain facility of:	At least \$300,000	1	
	At least \$500,000	1	
	At least \$1,000,000	1	
Sufficient Financial Resources	CPA attested financial statements attached	1	
	Applicant, or any owners of business haven't filed for bankruptcy in the last seven (7) years	1	
	Applicant, or any owners of business have not had IRS liens placed upon any financial accounts or property	1	
Tax Return History	Applicant has filed both personal and corporate income tax returns for the past five (5) years	1	
Total - Financial Stability		7	

Reference

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
III. Business Experience			
Documented Business History	Nature and type of prior business, years of operation, etc	1	
Current Business Ownership Documentation	Description of current business ownership,	1	
Business Diversification	Applicant holds other commercial licenses	1	
State Certifications	Applicant holds and maintains documented State certifications or licenses	1	
Compliance History	Applicant has not had a permit or license revoked (including for recreational Marihuana) by any state or municipality	1	
	Applicant has not engaged in an unapproved recreational Marihuana provisioning center or dispensary in any Michigan municipality	1	
	Documented history of regulatory compliance at federal, state, and local levels.	1	
	No history of federal, state, or local complaints/incidents	1	
Business Litigation	Applicant has not been involved and is currently not involved in any business litigation	1	
Total - Business Experience		9	

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
IV. Business Operations			
Job Creation	Applicant plans to create three (3) or more full-time jobs	1	
Applicant Describes a Staffing Plan to:	Employ one (1) or more Washtenaw County residents	1	
	Employ one (1) or more Township residents	1	
	Employ the chronically underemployed	1	
	Ensure safe dispensing, adequate security, theft prevention, and maintenance of confidential information	1	
	Provide training and educational opportunities for employees including best practices for patient confidentiality, tracking, fraud etc.	1	
	Requires employees to take cannabis training courses	1	
	Provides equipment, standards, and procedures for safe operation of its facilities and engages employees on best practices	1	
Employee Compensation	Applicant proposes to pay a living wage (at least 200% of the Federal Poverty Level for a family of two (2))	1	
	Applicant describes employing three (3) or more employees at more than \$15/hour	1	
	Applicant describes a plan to offer employee benefits in addition to wages or salary	1	
	Applicant describes a plan to provide employer paid health insurance	1	
Employee Integrity	Applicant has a documented code of ethics and plan to ensure honesty and integrity of employees	1	
Total - Business Operations		13	

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
V. Facility Improvements, Maintenance, Use and Security			
Capital Improvement	Applicant proposes facility capital improvement in excess of \$100,000	1	
	Applicant proposes facility capital improvement in excess of \$500,000	1	
Building	Applicant has provided rendering and/or blueprints or plans of facility as proposed to be used	1	
Maintenance Plan	Applicant provides plan to inspect to ensure interior and exterior integrity and maintenance	1	
	Applicant provides plan to keep exterior free of trash, graffiti, loiterers, etc.	1	
Traffic	Applicant describes expected daily number of Patients and proposed volume of vehicular traffic	1	
Facility Plan Provides for:	Separated lobby to identify patients and ensure non-patients may not access Marihuana dispensary area	1	
	Secure storage of recreational Marihuana	1	
	Preventing visibility of recreational Marihuana from facility exterior or common public are within a building or	1	
	Back-up power generation	1	
Insurance Plan	Applicant demonstrates access and ability to insure facility,	1	

	contents, employees, and patients, through property, business, general liability, and auto and worker's compensation insurances and demonstrates willingness to name Township as additional insured		
Waste Management	Applicant describes a plan for disposal of waste product	1	
	Applicant describes "green" business practices and energy conservation techniques	1	
Security Plan	Applicant provided a detailed security plan	1	
	Applicant provided copies of material safety data sheets for hazardous compounds, if any	1	
	Applicant has 24/7 video monitoring of the interior and exterior of the facility	1	
	Applicant has employed a security guard during business hours	1	
	If no security guard, then applicant has a security system in place to alert owner and police to possible tampering with the facility or its contents	1	
Facility will be equipped with the following alarms:	Facility entry and exit	1	
	Glass breakage	1	
	Panic buttons	1	
	Motion sensors	1	
Total - Facility Improvements, Maintenance, Use and Security		22	

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
VI. Community Outreach			
Applicant has Demonstrated and Described:	A plan to meet with neighborhood organizations, business association, crime watch and other neighborhood organizations to provide contact information for questions, concerns, issues, etc.	1	
	A plan to provide on-going public information program to inform Township residents of cannabis issues and proper/safe/legal use of cannabis products	1	
	A community commitment program and volunteerism plan	1	
	Past acts of volunteerism and community involvement	1	
Applicant has identified:	A specific owner and/or employee to serve as a liaison with the Township	1	
	A specific owner and/or employee to serve as a liaison with the surrounding community	1	
Total - Community Outreach and Relations		6	

Reference

Marihuana Facilities Scoring Criteria			
Description	Criteria	Maximum Points	Earned Points
VII. Compliance with Master Plan Objectives			
Promote quality, job producing, economic development within the Township that serves the needs of the Township residents	Redevelop vacant commercial building	1	
Maintain and preserve local agricultural character and natural resources	Utilize Low Impact Development Practices for stormwater management (rain gardens, bioswales)	1	
	Use 25% permeable pavement for parking surface	1	
	Use 50% permeable pavement for parking surface	1	
	Use 100% permeable pavement for parking surface	1	
	Utilize solar energy for onsite energy usage	1	
Parks and Recreation	Donate at least \$30,000 to the Improve the North Village site, provide public lake access, or other public amenities	1	
Open Space Preservation	Provide 10% additional open space or landscaping	1	
	Provide 25% additional open space or landscaping	1	
	Provide 50% open space or greenbelt landscaping	1	
Mixed Use Development	Exhibits high quality site and building designs that include the latest "green" technology	1	
Public Safety	At least 500 feet from another marihuana facility	1	

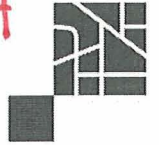
	At least 1,000 feet from another recreational facility	1	
	At least 1,500 feet from another Marihuana facility	1	
Township non-motorized connections	Provide a sidewalk / pathway along frontage of facility	1	
	Provide at least 500 feet of sidewalk / pathway	1	
	Provide at least 1,000 feet of sidewalk / pathway	1	
	Provide at least 1,500 feet of pathway	1	
Total - Master Plan		18	

Reference

Summary Results

Criteria	Maximum Points Available	Earned Points
Business Ownership	6	
Financial Stability	7	
Business Experience	9	
Business Operations	13	
Facility Improvements, Maintenance, Use and Security	22	
Community Outreach and Relations	6	
Compliance with Master Plan	18	
FINAL TOTAL:	81	

Reference



MCKENNA

November 19, 2019

Township Board
Northfield Township
8350 Main Street
Whitmore Lake, MI 48189

MEMORANDUM: North Village Committee Update

Honorable Trustees,

We are pleased place the North Village redevelopment RFQ on your 11/26/19 agenda for consideration and discussion. At this point, the Board has received two viable options for purchase and redevelopment of the site. 1) Livonia Builders, and 2) A. R. Brouwer. The A.R. Brouwer offer was received today (11/19/19) and has not been reviewed by any staff members or the North Village Committee. At this time the North Village Committee has not been authorized by the Board to review or provide a recommendation on the Livonia Builders offer. The North Village Committee provided a pro / con evaluation of both site concepts in a memorandum dated 10/15/19. At the North Village Committee meeting on November 6, the Committee discussed scoring both proposals deferred this task until after receipt of the Brouwer offer.

A: Items Included in Packet

- Email from Livonia Builders Stating Continued interest in the project
- Purchase Offer from A.R. Brouwer
- Template for purchase offers prepared by Township Attorney
- Proposal to prepare a legal description provided by Township Engineer

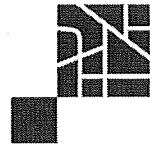
B: Next Steps

We anticipate that the Board will discuss the materials provided in tonight's packet and discuss there merits.

Based prior Board actions the following items have been requested:

1. An updated appraisal of the property
2. A scoring evaluation from the North Village Committee
3. A property description

We recommend that the Board request each interested party standardize their offer in a format recommended by the Township Attorney. The Township administration should provide the outstanding three items for the December 10 agenda; or provide an explanation as to why they are not completed. Further, we recommend that the Board request the applicants provide the updated offers to the Township on or before December 3, 2019 and the Board prepare to take action on December 10. At this time, we request the Board itemize any additional information requested for December 10 and allow staff to provide feedback on those request.



MCKENNA

October 15, 2019

Township Board
Northfield Township
8350 Main Street
Whitmore Lake, MI 48189

MEMORANDUM: North Village Committee Report and Recommendation

Honorable Trustees,

The North Village Committee has been meeting to discuss two separate qualifications and concept plans submitted by Livonia Builders and A.R. Brouwer. The committee prepared the following lists of pros and cons for each group and a recommendation for a preferred developer.

Note: The committee's recommendation did not consider or review the value of financial offer submitted by Livonia Builders which was submitted directly to the Board. A. R. Brouwer has not submitted an offer.

A: Livonia Builders: Pros and Cons

Pros:

- Aesthetics of single-family units per project examples and qualifications
- A reasonable number of rental units. The developer will retain ownership and management of the multifamily condos
- The public park is concentrated in one place and utilizes space to enhance the lake while including a need to complete these elements in phase 1.
- The development model will not need tax-breaks, it will pay full taxes, hook up fees, etc.
- Two exits onto main street
- Parking from Baker, Main, and by the park 60 to 75 spaces. Additionally, the single family structures have parking in driveways
- Township holds commercial properties for later sale and the value of that land may increase due to the development

Cons:

- No exit onto Barker
- Does not have a perimeter trail
- It doesn't indicate a separation between rear yards and park and the single-family homes are proposed to be accessed via front driveways rather than alley's
- Does not have experience or interest in developing mixed-use buildings

Overall, the committee provided feedback to the Livonia Builders Team that they were impressed by the candid approach and willingness to be a partner with the Township to guarantee success for North Village. The committee liked the design qualities of the single-family units completed by Livonia Builders and particularly their work in finishing the Cherry Hill Village development in Canton. The Committee noted that the single-family

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Communities for real life.

houses, though not consistent with the North Village Plan, were desirable as presented and did maintain a substantial amount of park land on the North Village Site.

B: A.R. Brouwer: Pros and Cons

Pros:

- Large amount of community parking, including parking for public amenities and downtown.
- High quality perimeter trail with detailed thought about linking and programming public spaces.
- Three access and egress roads; one onto Barker and two onto main.
- An excellent plan for the retail / mixed use development on main, included in the first phase of development
- Demonstrated local success in developing commercial and mixed-use buildings
- High quality professional renderings that demonstrate a substantial effort to understand the site constraints and opportunities
- A series of pocket parks spread throughout the site to offer residential amenities.

Cons:

- At this time no details on project phasing or financials or a commitment to when park amenities would be built
- No single-family homes; the condos will likely be for sale to homeowners
- The public park is not concentrated in one space
- 90+ apartments were seen as excessive, but additionally, the placement of these structures on the site was too much of a focus on the site design

Overall, the committee provided feedback to the A.R. Brouwer Team that they presented strong qualifications and a concept plan that included many of the desired elements of the North Village Plan. The two major criticisms were that the concept plan split the park area rather than concentrating it on the front of the site and that the apartments were too prominent of a site feature.

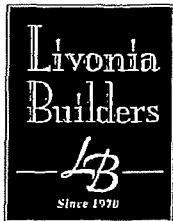
C: Committee Recommendation:

Based on the review of the two concepts submitted by Livonia Builders and A. R. Brower the Committee makes the following recommendations:

1. The North Village Committee recommends that the Board split approximately 4 acres, extending approximately 400 ft. west of Main Street, and including the waterfront, from the site commonly known as the North Village. This area should be retained for the development of a public park and mixed-use building(s) fronting on Main Street, consistent with the North Village Plan.
2. The North Village Committee that the Board pass a resolution committing to the development of the North Village park on an approximately 4 acres site, extending approximately 400 ft. west of Main Street, and including the waterfront within a two-year time-frame and parallel to any offer expected to develop private land in consistent with the North Village Plan. Further, the committee recommends that the resolution state that the aforementioned area remain a park in perpetuity, excepting a piece that may be developed for access roads and mixed-use buildings.

From: danny veri
Sent: Sunday, November 17, 2019 12:04 PM
To: Paul Lippens
Subject: vacant property

Paul,
As per our discussion, my group still has interest in pursuing the Township property. It has been a couple months since our contract was submitted. We would like closer to this if we are moving forward with the Township or not. We are consistantly getting new properties brought to us and need to know where this one stands. Your cooperation in giving a decision is appreciated. Lastly, if we do move forward, I recommend the survey for the park property be done by the design engineer i used as to make sure it all fits together
thanks
Danny Veri



4952 Dewitt, Canton, MI 48188 • Phone: (734) 397-9140 • Fax: (734) 397-8653

Livonia Builders is extremely excited to enter into an agreement with Northfield Township to develop The North Village. Although there are many possibilities on what to do with the property, the name identifies what it should feel like, a Village. With a blend of various size homes, multifamily product, mixed use commercial, a large focal point park and an inviting beach for both the residents of the Village and the residents of the community. Not only is it very important what is built there, but it is just as important what the product looks like, a Village feel product is a must. Large porches, reduced setbacks from the road help make that Village feel come to life.

This type of development will make the community grow by bringing more residents into the community to help support the local businesses on Whitmore Lake. The Village could and should be a catalyst to jump starting new and redevelopment along Whitmore Lake. The proposed development will bring people of all ages to the Village, empty nesters, young families and older families. All bases are covered and will always be since when the current resident moves out the same type of buyer will move in and will continue the cycle. More students will be added to the local school districts as well.

Livonia Builders is more than qualified to handle a project of this size and see it go from start to finish. If given the opportunity, Northfield township will recognize Livonia Builders as a premier partner to have in the community such as the communities of Saline, Canton, Plymouth, Pittsfield and the Communities of the past Livonia, Novi, Woodhaven and Ypsilanti Township. We sincerely hope that The Board of Trustees seriously considers having Livonia Builders help turn the North Village into a reality.

Sincerely,

Danny Veri
Managing Member- Livonia Builders

North Village

The vision Livonia Builders has for North Village is a blend of larger lot, single family homes, duplex condos or smaller lot, single family homes, townhouse buildings for lease that serve both the empty nester and small families, mixed use commercial property, a public beach and a large park that is in direct view of Whitmore Lake.

The single-family homes will be designed of the new urbanism architectural style as mentioned in the Downtown Strategic action plan. We have experience in developing and building this type of product. We developed and built over 200 homes in Cherry Hill Village of Canton. This development consists of reduced front yard setbacks and narrower streets to bring people back in time. Large front porches and smaller lots make for a more inviting and tight knit community. Sidewalks through out the development and reduced front yard setbacks invite people to walk the community and get to know their neighbors.

The townhouse buildings will also carry forward the new urbanism architecture. These buildings are designed to serve the empty nester with 1 story, 2 bedroom and 2 bath layouts, along with serving the growing family with 3 bedroom, 2.5 bath 2 story units. Our plan is to offer these units for lease and we offer a homebuyer savings program to try to get them into a new home. We design the interiors like our single-family homes, with high-end finishes, which helps keep our residents far longer than the national average. By tying in the townhouses with the single-family homes, it only continues our tradition of making our communities feel like neighborhoods. The townhouses will also be broken up into different size buildings and different colors, similar to the single-family homes.

The duplex ranch style condos will invite a senior type buyer. With all the features on the first floor, these 2 bedroom, 2 bath condos will add charm to the neighborhood and carry forward the new urbanism architecture.

The smaller lot single-family homes will feel a very large void in housing, the starter home. There are currently no new, single-family homes in the entire area starting around \$200,000. We believe our process will allow us to do this and help bring young families into the community.

The mixed-use properties are located in two areas. These will likely be a blend of office and retail establishments. The same style of architecture will be carried forward. We will try to focus on getting the types of businesses that are needed for the area.

The public beach and Park will be the focal points of the property. The park makes up approximately 2+ acres of open space, sidewalks, benches and a gazebo. The beach will be public access beach with a fishing pier, benches and boat slips. There is also another 2 acres designated for the retention pond for the site, which adds to more open space.

Revenue and Community Benefits

The blending of the different types of housing offers various forms of tax benefits to Northfield Township. The smaller single-family homes will likely sell for an average dollar amount of \$215-225,000. That would generate approximately 191,224 in tax revenue annually. The larger homes will likely sell for an average of \$375,000 each. With 15 of the estate style homes, that would generate another \$113,709 in revenues. The leased townhomes will likely generate another \$77,951 in revenue. Finally the two mixed-use buildings will likely generate another \$17,583 in revenue. If the two-unit condo design is chosen over the small lot single family, the tax revenue will drop about \$30,000. In total, this development will likely generate approximately \$400,467 in additional tax revenue to Northfield Township. See the chart below for details

Sale Price	Taxable Value	Mileage	Unit Total	Total Tax Revenue
\$220,000	\$110,000	40.43	43	\$191,224
\$375,000	\$187,500	40.43	15	\$113,709
Townhomes	\$35,000	58.61	38	\$77,951
Mixed Use	\$150,000	58.61	2	\$17,583

Estimated annual tax revenue \$400,467

The other exciting and beneficial element to this concept is the number of children it will add to the school system. The smaller lot product will bring young families with young kids. They will likely have 2 children that will be or become elementary age before looking for a larger home. Each of those kids will generate approximately \$8,000 each for the Whitmore Lake school system. With an average of 2 children per home, that will generate 86 children and \$688,000 towards the school system. The larger or Estate size homes will also generate an average of 2 kids but they will be slightly older. That would also generate another \$240,000 in school revenue. And finally we will go to the for lease townhomes. We will have 22- 3 bedroom units. In our other 3 bedroom communities, we average at least 1 child in each unit. That would add another \$176,000 to school revenue. In total, with the averages listed above, the school system should gather another 138 students and \$1,104,000 in student revenue. The other thing to consider is, the size and style of these homes will continue to generate the same type of family structure that will start there. This is a lifestyle type of development.

Finally, for the commercial element to grow and thrive, people need to move into the area. With the above averages, this residential project will bring 98 new families to the area that can be upwards to 278 additional people to help the storefronts prosper. Not to mention all the local revenue that will be generated during the construction process.

Livonia Builders Information

Livonia Builders was established in 1970 by Lidia and Donato Veri and is currently celebrating its 49th year in business. Danny Veri and Michael Joss currently run Livonia Builders and have since 1995. Since it's beginning, Livonia Builders has developed vacant land in various communities in Wayne, Oakland and Washtenaw counties. Livonia Builders has built Industrial buildings, Commercial buildings, Office buildings, Apartment Communities, Condo communities, a Mixed Use building and well over 1000 single-family homes. Their specialty is taking vacant land through development and then through construction. As you can see, Livonia Builders has experience in building and developing all types of properties.

Currently Livonia Builders owns 3 apartment communities, 1 Industrial Building, 25 vacant single family lots, are building and part owner of a 4th apartment community in Canton as well as vacant land for 55 attached Condos in Chelsea.

Livonia Builders owns approximately 35 million dollars in assets with only 4 million dollars in debt service. We are very low leveraged but have multiple investment sources if needed.

Danny Veri and Michael Joss also have over 4 million dollars in personal assets as well. Sound financial practices are what Livonia Builders was founded on and still carries forward.

Livonia Builders is also a highly regarded builder in multiply communities. Pittsfield Township, City of Saline, Plymouth Township and Canton Township are all communities that give Livonia Builders a gold star because we always do what we say we are going to do.

Below is a list of references at the communities below:

1. Canton Township Supervisor Patrick Williams 734 394-5200
2. Canton Township Planner Jeff Goulet

3. City of Saline- Mayor Brian Marl 734 429-4907
4. City of Saline - City Manager- Todd Campbell

5. Pittsfield Township- Head building official Kurt Weiland 734 829-3101

6. Mark Lewis- Head building official Plymouth Twp 734 354 3210

Trade reference of Livonia Builders and time doing business together

1. N A Mans Lumber 734 714-5800 Doug Mans -48 years together
2. Kurtis Kitchen and Bath- 734 522-7600 Howard Kuretzky 40 years
3. Firmbuilt Construction- 248 477-3770 Ted Drosockey 40 years

We have multiple suppliers and contractors that we have been doing business with for over 20 years. We get good people and we keep them.

Development Team

Livonia Builders will be the main contact and organizer for the development of the project. The long relationships with suppliers and tradesmen will continue with some reaching back as far as 48 years with an average of 15 years working with Livonia Builders. We are planning on building the entire site out however considering letting a second party come in for the mixed use product.

The Financial people involved are Livonia Builders principals of Michael Joss and Danny Veri along with the financial contributions of Michael Ferrantino.

Legal Council will be Kevin Kohls of Kevin Kohls and Associates. Kevin has a long history in Real estate law and will be easily able to navigate the terms of this agreement and the documents needed for the sales of the individual homes.

Dimensional Design will do Architectural drawings. They have been Livonia Builders architect for a large majority of the homes and apartments built over the last 15 years.

Most Recent Developments- Last 15 years

Cascade Point Saline- 16 unit apartments \$3,000,000
Ravines of Plymouth- 68 unit apartment/condo complex - \$15,000,000
Cypress Ridge- Saline 27 single family homes \$9,500,000
Cherry Hill Village- Canton 220 homes \$66,000,000 (on going for 10 years)
Blue Heron Pointe- Pittsfield 64 apartments \$12,800,000
The Ridge- Canton 32 single family homes \$12,650,000
Torrey Hill- Canton 27 single family homes \$8,775,000
Torwood- Saline 28 single family homes \$8,400,000
Grand Oaks- Canton- 24 single family homes \$7,200,000
Arlington Park- Canton- 36 single family homes \$12,600,000
Northgate of Canton- 90-unit apartment \$18,000,000
Enclave Apartments- Pittsfield \$6,400,000

**OFFER TO PURCHASE
(AGREEMENT)**

THIS AGREEMENT ("Agreement") is made by and among NORTHFIELD CHARTER TOWNSHIP whose address is 8350 MAIN STREET, WHITMORE LAKE, MI 48189 (the "Seller"), and AN ENTITY TO BE FORMED, whose address is 18261 Shelley Pond Ct Northville, Michigan 48168.

1. **PURCHASE AND SALE OF PROPERTY.** Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase and acquire from Seller all of Seller's right, title and interest in and to the following described real property: The land situated in the Township of Northfield, County of Washtenaw, State of Michigan common!) known as: Tax ID # _____ . See Exhibit A attached hereto (collectively, "Property"), •

2. **PURCHASE PRICE.** The purchase price for the Property shall be Seven Hundred Sixty- Five Thousand (\$765,000.00) and 00/100 Dollars. **\$8500 per unit x 90 units**("Purchase Price").

2. **Deposit.** Within two (2) business days from the date this Agreement is executed by both Seller and Purchaser (the "Effective Date"), Purchaser shall deliver an earnest money deposit in the amount of Ten Thousand (SJ 0, 000.00) and 00/100 Dollars (the "**Deposit**") to Vintage Title Company; whose address is 5860 North Canton Center Road, Suite #387, Canton, I 48187. Attention: Ms. Patti Ohannesian (the " Title Company"). The Deposit shall be credited against the Purchase Price at Closing or otherwise disbursed in accordance with the terms of this Agreement.

3. **Title and Survey.** Within ten (10) days from the Effective Date, Seller shall, at Seller's sole cost and expense, cause the Title Company to deliver to Purchaser a current commitment for a Vintage Title Company ALTA Owner's policy of title insurance for the Property, (the "**Commitment**"), in the amount of the Purchase Price, together with legible copies of all documents listed as exceptions to the Commitment. In addition, within ten (10) days from the Effective Date, Seller shall provide Purchaser with a copy of any survey of the Property in Seller's possession or control. Purchaser shall have the right, at its cost, to obtain an updated or new survey of the Property (the "**Survey**"), which shall be certified to Purchaser, Seller and the Title Company.

4. **Objections to Title.** If, prior to the expiration of the Inspection Period referenced in Paragraph 5 below, Purchase r, or its legal counsel, objects in writing to the condition of title to the Property, if Seller is unable or unwilling to remedy Purchaser's objection(s) within thirty (30) days after receipt of Purchaser' s objections, Seller shall provide notice to Purchaser and then Purchaser, at its option within ten (10) days after Purchaser's receipt of Seller's notice, may either: (i) waive the objection(s) and the parties shall continue to perform their obligations, subject to the terms and conditions of this Agreement; or (ii) Purchaser may terminate this Agreement by written notice of termination to Seller, in which event the Deposit shall be immediately returned to Purchaser and the parties shall have no further rights or obligations under this Agreement except those expressly surviving the termination of this Agreement. If Purchaser does not timely terminate this Agreement during such ten (10) day period, such objections that are not cured will be deemed Permitted Encumbrances. If Purchaser does not raise any title objections or in the event Seller cures (or Purchaser waives) Purchaser ' s objection(s), the exceptions of record identified in the Commitment which are not objected to, or which have been waived by Purchaser, shall be deemed accepted by Purchaser and shall become "**Permitted Encumbrances**" to the condition of title to the Property.

5. Inspection Period.

A: Purchaser shall have a period of one hundred eighty (180) days from the Effective date hereof to investigate the Property, including, but not limited to the physical and environmental condition of the Property and the feasibility of developing the Property as intended by Purchaser.

B. Seller agrees, at no cost to Purchaser, to assist by the timely execution of documents for rezoning, approval and permits. Seller will also waive the fees for the approvals where applicable

C. Within ten (10) days from the Effective Date, Seller shall provide Purchaser with copies of all surveys, site plan drawings and applications, environmental reports, engineering and soil boring test reports, government "review" letters, engineering plans, and any other documents in Seller's possession or reasonably available to Seller regarding the Property, if any.

D. That sanitary sewer is adequate to service the proposed development can be made available to the property and all can be tapped into at a cost deemed reasonable by the Purchaser.

E. During the term of this Agreement Purchaser and/or Purchaser's agents shall have the right to enter upon the Property to conduct such tests and investigations, as Purchaser deems appropriate. If any portion of the Property is disturbed or damaged by Purchaser's inspections, Purchaser shall restore the Property to substantially the same condition that existed prior to such disturbance or damage. Purchaser shall indemnify and hold harmless Seller from and against any injury to persons or damage to property caused by the inspection activities of Purchaser and/or its agents. If this Purchase Agreement is terminated for any reason other than Seller's default, Purchaser shall promptly deliver to Seller copies of all third-party surveys and reports obtained by Purchaser, if any, in connection with the Property, including all soil and environmental reports, boundary and topographic surveys and traffic studies, all without representation or warranty as to their accuracy or adequacy for Seller's intended use. The obligations of Purchaser under this Paragraph 5 shall survive the termination of this Agreement and

Closing. Prior to the entry on the Property by Purchaser ' s contractors, Purchaser shall cause such contractors to deliver a certificate of insurance to Seller evidencing that Purchaser or its contractors, agents and representatives have in place (and such contractors shall maintain during the pendency of this Agreement): commercial general liability insurance with limits of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury or death and property damage insurance including coverage for contractual liability and personal and advertising injury with respect to Purchaser' s obligations hereunder, all covering any accident arising in connection with the presence of such contractors, and their respective agents and representatives on the Property, which insurance shall: (A) name as additional insured there under Seller and such other parties holding insurable interests as Seller may designate; (B) be written by a reputable insurance company having a rating of at least " A+:" by Best's Rating Guide (or a comparable rating by a successor rating service; (C) otherwise be subject to Seller' s prior reasonable approval; and (D) shall be kept in force by such contractor until the earlier of the termination of this Agreement or Closing.

F. If Purchaser, in its sole and absolute discretion, is dissatisfied with the results of its inspections, Purchaser shall have the right to terminate this Agreement by providing written notice to Seller any time prior to 5:00 p.m., on the first business day following the expiration of the Inspection Period, in which event Purchaser shall immediately receive the return of the Deposit and the parties shall thereafter have no further rights or obligations under this Agreement except those expressly surviving the termination of this Agreement. If Purchaser does not elect to terminate this Agreement under this Paragraph S, the Deposit shall become non-refundable, except as otherwise expressly provided in this Agreement and shall be applicable to the Purchase Price at Closing.

G. In the event Purchaser is before a governing body seeking approvals and the six (6) month Inspection Period expires, Seller shall grant an additional six (6) months for Purchaser to receive his approvals for Ten Thousand (\$10,000.00) and 00/100 Dollars non-refundable but applicable to the purchase price.

6. **"AS IS"**

Purchaser acknowledges and agrees that upon Closing, Seller shall sell and convey the Property to Purchaser and Purchaser shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS," except to the extent expressly provided otherwise in this Agreement and any document executed by Seller and delivered to Purchaser at Closing. Except as expressly set forth in this Agreement, Purchaser has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, the information distributed with respect to the Property) made or furnished by Seller, or any property manager, real estate broker, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing. Purchaser represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of Purchaser's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Purchaser will conduct such inspections and investigations of the Property as Purchaser deems necessary, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same. By failing to terminate this Agreement prior to the expiration of the Inspection Period, Purchaser acknowledges that Seller has afforded Purchaser a full opportunity to conduct such investigations of the Property as Purchaser deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto, other than such representations, warranties and covenants of Seller as are expressly set forth in this Agreement. Upon Closing, Purchaser shall assume the risk that adverse matters, including, but not limited to, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Purchaser's inspections and investigations. Purchaser hereby represents and warrants to Seller that Purchaser is represented by legal counsel in connection with the transaction contemplated by this Agreement. Purchaser waives any all d- a-H rights or remedies i-t may have OJ' be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller.

7. **Seller's Representations and Warranties:**

Seller hereby represents and warrants to Purchaser, which representations shall be true and correct as of the date hereof and as of the closing date and shall survive the closing of the transactions contemplated hereby, that the environmental and ecological condition of the property is not in violation of any law, ordinance, rule or regulation applicable thereto; the soil, water and ground water of or on the property are free from any solid waste, toxic or hazardous substances or contaminants, and the Property has not been used for treatment, storage or disposal of any waste material.

(a) Seller has not, and to the best of Seller's knowledge, no other person or entity has: (i) used the Property for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation or disposal of any Hazardous Materials (as such term is defined below); (ii) released or discharged any Hazardous Materials into the environment from, at, on or under the Property; (iii) used the Property at any time as a landfill or a disposal site for garbage, waste or refuse of any kind; or (iv) installed or removed underground storage tanks on or from the Property. To the best of Seller's knowledge, the Property does not contain any Hazardous Materials. As used herein, the term "Hazardous Materials" shall mean any substances, waste, toxin, pollutant or contaminant, including but not limited to, radiation and electromagnetic forces and any material, substance or activity now or in the future defined, listed or classified by the Environmental Protection Agency, the Occupational Safety And Health Administration, the National Institute Of Safety And Health or any federal, state or local agency having jurisdiction over a work place, safety or environmental protection, or any of their successor agencies or authorities, as a hazardous activity, hazardous substance, hazardous waste, toxic substance, toxic waste, pollutant or contaminant.

8. Assignment

Purchaser shall not be entitled to assign this Agreement without Seller's consent, which shall not be unreasonably withheld. Purchaser may assign this offer to one or more assignees and any such assignee or assignees shall have all rights granted herein to Purchaser. Purchaser shall give prompt written notice to Seller upon any such assignment. In the event Seller conveys the property during the term of this Offer, the conveyance shall be made subject to this Offer, and Seller shall assign his rights and obligations hereunder to the Purchaser, who shall agree to assume them.

8. Closing. Purchaser and Seller agree to complete the purchase and sale transaction (the "Closing") within thirty (30) days from the expiration of the Inspection Period or on such earlier date requested by Purchaser. The Closing of this transaction shall take place at the Title Company or at such place as the parties shall mutually agree. The Closing may be accomplished by means of an escrow closing, with the Title Company acting as closing agent.

9. Closing Deliveries. On the Closing date, the parties shall take the following actions:

a. Purchaser shall pay to the Title Company, for the account of Seller, the Purchase Price for the Property, subject to proration's and adjustments pursuant to the terms of this Agreement.

b. Seller shall deliver to Purchaser a Warranty Deed in recordable form conveying to Purchaser fee simple marketable title to the Property, in lieu of reciting the Purchase Price in the Warranty Deed, Seller shall execute and deliver to Purchaser a Real Estate Transfer Valuation Affidavit.

c. Seller shall order and pay for a policy of title insurance for the Property without standard exceptions, except the standard survey exception unless Purchaser has obtained a Survey, with coverage in an amount equal to the Purchase Price, subject only to the Permitted Encumbrances. Seller shall deliver to the Title Company an Owner's Affidavit and such other documents reasonably required by the Title Company to enable the Title Company to satisfy its Schedule B-1 requirements, remove its standard exceptions (except the survey exception shall not be removed unless the Purchaser provides the Title Company with an acceptable survey) and provide a "marked-up" Commitment, dated as of the Closing Date and containing only the Permitted Encumbrances. The "marked-up" Commitment shall reflect Purchaser as both fee simple title owner of the Property and the insured under said Commitment. Any closing fees charged by the Title Company shall be shared equally by Seller and Purchaser.

d. Seller shall provide Purchaser with a Non-Foreign Affidavit.

e. Seller and Purchaser each shall deliver to the other such other documents or instruments as shall reasonably be required by such parties' counsel and/or the Title Company to consummate the transactions contemplated herein and/or to issue the policy of title insurance for the Property.

10. Prorations and Adjustments.

(a) Taxes, Assessments and Utilities. All real estate taxes which are billed prior to the Closing shall be paid by Seller on or before Closing. Seller shall also pay in full on or before the Closing all special and other assessments which were established and constitute a lien against the Property as of the date of Closing, regardless of whether such special or other assessment may be paid in installments subsequent to the Closing. Current real estate taxes shall be prorated between the parties as of the Closing on the due date basis of the applicable taxing authority and taxes shall be deemed paid in advance for proration purposes.

(b) **Closing Costs.** Seller shall pay all state, county and local documentary stamps and transfer taxes levied on the conveyance of the Property, the title insurance premium, the cost of recording any documents necessary to cure Purchaser's title objections, the costs of its legal counsel and one half of any closing fees charged by the Title Company. Purchaser shall pay for the cost of recording the deed, any Survey ordered by Purchaser, the fees of its legal counsel and one half of any closing fees charged by the Title Company.

12. **Possession.** Upon the Closing, Seller shall deliver to Purchaser possession of the Property free from any rights or claims of possession by Seller or any third party.

13. **Real Estate Commission.** Not Applicable in this sale

14. **Default.** In the event of a breach or default by Purchaser under this Agreement which is not cured within ten (10) days from Purchaser's receipt of written notice of default from Seller, Seller shall have the right, as its sole and exclusive remedy, to retain the Deposit and the additional deposits made by Purchaser under Paragraph 5, if any, as liquidated damages in termination of this Agreement. In the event of Seller's breach or default under this Agreement which is not cured within ten (10) days from Seller's receipt of written notice of default from Purchaser, Purchaser shall have the right to terminate this Agreement and obtain the return of its entire Deposit and any additional deposits paid by Purchaser under Paragraph 5, if any. If any action is brought to enforce the terms of this Agreement the non-prevailing party shall reimburse the prevailing party for its costs and expenses, including, without limitation, reasonable attorney fees through all mediation, arbitration, trial and appellate proceedings.

15. **Non-Waiver.** The failure of either party to complain of any act or omission on the part of the other party, no matter how long it may continue, shall not be deemed to be a waiver by any party to any of its rights hereunder except as expressly provided for in this Agreement. No waiver by any party at any time, expressed or implied, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision. If any action by any party shall require the consent or approval of another party, the consent or approval of the action on any one occasion shall not be deemed a consent to or approval of that action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion.

16. **Survival.** The indemnities, representations, warranties and covenants contained in this Agreement shall survive Closing and shall not merge upon the delivery of the deed for all or any portion of the Property.

17. **Time.** TIME IS OF THE ESSENCE OF AND ALL UNDERTAKINGS AND AGREEMENTS OF THE PARTIES HERETO.

18. **Notices.** Any notice to be given or served upon any party to this Agreement must be in writing and shall be deemed to have been given: (a) upon receipt in the event of personal service by actual delivery; (b) the first business day after posting if deposited in the United States mail with proper postage and dispatched by certified mail, return receipt requested; (c) upon receipt of telecopy or email if a copy of such notice is also sent by regular mail or overnight delivery service; or (d) upon receipt if notice is given other than by personal service or by certified mail. And all notices shall be given to the parties at the addresses set forth in this Agreement. Any party to this Agreement may at any time change the address for notices to that party by giving notice in this manner.

If to Seller: Northfield Charter Township
8350 Main Street
Whitmore Lake, Mi 48189

If to Purchaser: Entity TBD
18261 Shelley Pond Ct
Northville, MI 48167
Email: dannyveri@sbcglobal.net
734-347-3436

19. **Days.** Whenever this Agreement requires that something be done within a specified period of days, that period shall (a) not include the day from which the period commences, (b) include the day upon which the period expires, (c) expire at 5:00 p.m. local time on the day upon which the period expires, and (d) except as otherwise provided for herein, be construed to mean calendar days ; provided, that if the final day of the period falls on a Saturday, Sunday or legal holiday, the period shall extend to the first business day thereafter.

20. **Severability.** If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained within the body of this Agreement.

21. **Entire Agreement.** This Agreement embodies the entire understanding between the parties with respect to the transaction contemplated herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded by and merged into this Agreement. Neither this Agreement nor any of its provisions may be waived, modified or amended except by an instrument in writing signed by Seller and Purchaser.

22. **Governing Law.** This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Michigan.

23. **Counterparts: Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart. For purposes of this Agreement, a facsimile or electronic copy of a signature shall be deemed the same as an original.

24. **Effective Date.** The Effective Date of this Agreement shall be the last date on which both Seller and Purchaser have executed this Agreement.

25. **Conditions of Sale.** Of the sale price of \$8500 per Unit, \$4500 of the said amount is to be earmarked for the common items discussed in meetings. Those items include the development of the park area, which is not included in this legal description. The development of the beach area, which is not included in this legal description. The additional parking areas for the park area, which is not included in this legal description. (Constructed Areas)

These funds will be held in escrow with the title company and released upon the work being completed. It is the Seller's choice if they would like the Purchaser to develop these areas or if they would like to use the money themselves and develop it. In either case, the work must be completed before any moneys are released.

It is also understood that the amount designated is the entire amount the Purchaser will contribute towards these items. In the event the Purchaser completes the work and the cost comes in under the \$4500 per unit budget, the Purchaser will be awarded that difference as a form of payment for doing the work. If the work comes in at the \$4500 amount or the amount is not enough for the Constructed Area, there is no reward to the Purchaser and their obligation ends.

It is also understood that the final payment is decided upon final number of units approved and suitable to build based on all governmental agencies

THIS AGREEMENT has been executed by the parties hereto on the date(s) set forth below.

"PURCHASER"

By: _____
Its: _____

Email: dannyveri@sbcglobal.net

Dated: _____

TO THE ABOVE NAMED PURCHASER:

The foregoing Offer is hereby accepted and the Seller agrees to sell said premises upon the terms stated. BY execution of this instrument, the Seller acknowledges the receipt of a copy of this Agreement.

"SELLER"

Northfield Charter Township

BY: _____
Print Name:

Its: _____
Representative

Email:

Dated: _____

Vintage Title Insurance Company acknowledges receipt of deposit and agrees to perform its duties under the Agreement.

Vintage Title Insurance Company

BY: _____

Dated: _____

MIXED RESIDENTIAL CONCEPT

PART OF THE NE 1/4 OF SECTION 6, T.15., R.6E.,
NORTHFIELD TOWNSHIP, WASHTENAW COUNTY, MICHIGAN



SITE DATA.
 MIXED USE BUILDING 1 (NORTH):
 4000 S.F. FLOOR AREA
 PARKING PROVIDED:
 1/200 SF = 20 SPACES
 MIXED USE BUILDING 2 (SOUTH)
 4000 S.F. FLOOR AREA
 PARKING PROVIDED:
 1/200 SF = 24 SPACES
 40' X 110' LOTS: 56 UNITS
 2-6 UNIT TOWNHOME AREA: 40 UNITS
 TOTAL: 96 UNITS

SHEET

RESIDENTIAL DEVELOPMENT
 SINGLE FAMILY AND MULTI FAMILY
 PART OF THE NORTHEAST 1/4 OF SECTION 6, T.15., R.6E.,
 NORTHFIELD TOWNSHIP, WASHTENAW COUNTY, MICHIGAN

ENGINEERS, SURVEYORS
MLP
 AND ASSOCIATES, INC.
 Michael L. Priest & Associates, Inc.
 40655 Keppenick Road, Canton, MI 48187
 phone: (734) 459-8560
 fax: (734) 459-2585

STATUS:
 REVISIONS
 DATE: 07-10-2019
 JOB NO. 201802

DATE: 07-10-2019
 PREPARED BY: TWP
 CHECKED BY: TWP
 DRAWN BY: TWP
 SCALE: 1" = 80'

PROPRIETOR
 THE HOLDINGS, LLC
 DANNY VERRI
 4902 DEWITT SUITE 101
 CANTON, MI 48188
 734-347-3434

November 19, 2019

Northfield Township
Township Manager
Steve Aynes
8350 Main Street
Whitmore Lake, MI 48189

RE: North Village Site and Park Property

Dear Mr. Aynes,

A.R. Brouwer Company LLC is pleased to submit the attached Letter of Intent to purchase the North Village Property in Northfield Township.

A.R. Brouwer is confident that our North Village concept addresses many of the Township Master Plan goals such as mixed-use, efficient land use and improved public amenities including pathways and public spaces. Our mix of owner-occupied units and rental units combined with the commercial buildings and public parking will achieve the North Village vision and support the economic growth Northfield Township desires.

Development of the North Village property will be a multi-year, multi-phase project. We expect that the development will be built out by 2026. Construction of the infrastructure and for sale units will commence first, followed by the apartments. The mix of apartments is still being evaluated however at least 30% will be market rate.

Our concept for North Village includes over 100 public parking spaces, approximately 10,000 square feet of commercial space and 35% public open space. We also estimate that the housing component of our plan will add 99 students to the Whitmore Lake School District and an additional \$750,000.00 in school funding.

Attached is the proforma used to evaluate the tax benefits of the A.R. Brouwer concept. The proforma demonstrates that the proposed plan, including the PILOT program, will achieve the tax benefits that the Township desires. Not included in the proforma is the economic development activity that will occur in conjunction with project. Additional housing and commercial space will benefit the existing businesses and the school system.

Our North Village Development Team has over 50 years of development and construction experience and is confident that our product and experience will bring tremendous benefit to Northfield Township.

Thank you for your consideration. We look forward to scheduling a meeting to review our Letter of Intent.

Steve Brouwer

Steve Brouwer and the North Village Team

LETTER OF INTENT FOR PURCHASE AND DEVELOPMENT OF REAL PROPERTY

November 18, 2019

Northfield Township, Michigan
c/o Township Board of Trustees
8350 Main Street
Whitmore Lake, MI. 48189

Subject: Letter of Intent Regarding North Village Purchase and Development

Dear Board of Trustees,

An affiliate of A.R. Brouwer Company (“Buyer” and “Developer”) offers to purchase and develop the Property (as hereinafter defined) in accordance with the following terms and conditions, subject to the execution of a definitive and mutually acceptable purchase and sale agreement and development agreement, or a single combined agreement encompassing the terms and content of the preceding agreements (“Purchase Agreement” and “Development Agreement”, or “Purchase and Development Agreement”) within 120 days after this letter (“Letter of Intent”) is executed. Such interim period shall be the “Negotiation Period”.

- 1. Seller.** Northfield Township, Michigan, c/o Township Board of Trustees, 8350 Main Street, Whitmore Lake, MI. 48189
- 2. Buyer.** A limited liability company affiliated with A.R. Brouwer Company and owned directly or indirectly by Steve Brouwer, 2830 Baker Road, Dexter, MI. 48130. The Buyer may assign the rights under the purchase agreement for each component/use of the Property to a separate limited liability company, each of which shall be an entity owned directly or indirectly by Steve Brouwer.
- 3. Property.** The property (“Property”) is that real property that constitutes Parcels 1, 2, 3, 4, and 6 as depicted on the ALTA/NSPS Land Title Survey prepared by Atwell Hicks dated August 2, 2016 (Job 16000570) (the

“Survey”), portions of Parcel 1 that are not included in the Passive Community Green Space and Central Lawn portion depicted on the Concept Plan (as defined below), as well as portions of Parcel 5 not retained by the Seller or otherwise not included in the approved site plan for the Property. The Property will be divided into different parcels for the residential apartments, mixed use 1, mixed use 2, and residential homes, each of which parcel shall be surveyed and legally described, and acceptable to both Buyer and Seller. The different uses for the Property are as shown on Buyer’s concept plan submitted to the Seller on 10/15/2019 (“Concept Plan”).

4. Purchase Price(s). \$1,100,000.00 for the Property. The proposed Purchase Price for each component is:

Residential Homes	\$500,000
Residential Apartments	\$350,000
Mixed Use 1	\$150,000
Mixed Use 2	<u>\$100,000</u>
Sum	\$1,100,000

5. Investigation Period. Buyer shall have 120 days from the execution of Purchase Agreement or Purchase and Development Agreement to perform all feasibility and due diligence investigations regarding the Property. Seller shall reasonably cooperate with Buyer’s investigations.

6. Site Plan Approval. Buyer shall have 250 days from the execution of the Purchase Agreement or Purchase and Development Agreement to obtain PUD approval, preliminary site plan, final site plan, and all other governmental approvals necessary for Buyer’s intended use of the Property substantially as shown in the Concept Plan. Provided, however, that if Buyer cannot obtain financing from the MSHDA for the residential apartment portion of the Property (as discussed in Paragraph 10 below), then approval of a modified site plan/zoning that includes development plans for the residential apartment portion of the Property that are acceptable to both Seller and Buyer shall be required.

- 7. Conditions Precedent to Closing.** Among other considerations to be specified in the Purchase Agreement, Buyer's obligation shall be subject to good and clear title to the Property, satisfactory approval of the investigation set forth in Paragraph 5, site plan approval as set forth in Paragraph 6 above, negotiation of a PILOT agreement as set forth in Paragraph 10 below, and financing of the residential apartment portion of the Property from MSHDA. The foregoing notwithstanding, if Buyer cannot obtain financing from the MSHDA for the residential apartment portion of the Property, then Buyer may elect to proceed with the closing on other portions of the Property.
- 8. Public Components.** The portions of the Parcel 1 and/or Parcel 5 as set forth in the Survey that are not being sold to Buyer (i.e. the "Passive Community Green Space and Central Lawn" and possibly the "Active Community Green Space" shown on the Concept Plan) are planned for development as generally reflected on the Concept Plan, subject to change by mutual agreement. It is recommended that the Seller create a committee of three individuals authorized to work in conjunction with A. R. Brouwer Co. on the drawings and recommend approval to the Township Board of the various elements of the proposed public improvements. The Purchase Agreement or Purchase and Development Agreement shall provide that (a) Buyer shall be responsible for constructing, at its cost, all roadways within the Property, (b) all other public improvements on land retained by the Seller and as shown generally on the Concept Plan will be constructed at the cost of Seller, with A.R. Brouwer Company serving as the general contractor or construction manager of the public improvements, and with A.R. Brouwer Company preparing drawings, submitting cost budgets, and constructing the approved public improvements, and such other items agreed to by Seller and A.R. Brouwer Company, and (c) A.R. Brouwer Co. will be entitled to compensation from Seller for its contracting or construction management services provided under the foregoing subsection (c) based on market rates and terms.
- 9. Closing Date.** Closing will occur 90 days after all conditions to closing, as set forth in Paragraph 7 have been satisfied. Closing dates can be revised upon the mutual agreement of Buyer and Seller.

- 10. Residential Apartments.** The apartment portion of the development will be financed with debt and equity through MSHDA. It is imperative to this financing that the apartments be provided a PILOT (Payment in Lieu of Taxes) by the Township that provides for an annual PILOT payment in the amount of 5% of the sheltered rents collected at the property for as long as the Residential Apartments qualify for such treatment under state law. The PILOT program has been used by municipalities in Michigan since 1966 to bring about the construction of approximately 10,000 apartments statewide. Buyer and Seller intend to negotiate a PILOT agreement for the Residential Apartments to be completed before Closing.
- 11. Non-Solicitation.** Between the execution of this Letter of Intent and the Purchase Agreement, Seller shall not solicit other offers.
- 12. Other Provisions.** The Purchase Agreement will contain other terms, provisions, and conditions.
- 13. Formal Agreements.** Upon mutual acceptance of this Letter of Intent, the Buyer will prepare a Purchase Agreement and Development Agreement, or Purchase and Development Agreement, incorporating the terms and conditions of this Letter of Intent, and containing the usual agreements, representations, warranties, indemnifications, and other provisions commonly found in such agreements, which will be presented to the other party for review. The Seller and Buyer shall act in good faith and use their best efforts to negotiate and enter into said agreement(s) based upon this Letter of Intent.
- 14. Effect of the Letter of Intent.** Notwithstanding that this Letter of Intent contains many of the essential points regarding the transactions described herein, this is not intended to be a legally enforceable agreement and no cause of action shall arise in respect of the signing hereof.
- 15. Offer Expiration.** In order to prevent meaningful delays to the financing of the overall development, Buyer requests Seller approval of this Letter of Intent or an acceptable alternative no later than January 15, 2020, or this Letter of Intent shall automatically terminate.

Each of Buyer and Seller acknowledge and agree that this Letter of Intent shall be superseded by the agreement(s) specified in provision 12 above. If said agreement(s) are not executed before expiration of the Negotiation Period, this Letter of Intent shall expire, be of no further force and effect, and neither Buyer nor Seller shall have any further rights or duties hereunder. In the event this Letter of Intent is terminated, each of Buyer and Seller agree to return promptly to the applicable party all documentation provided pursuant to this Letter of Intent.

BUYER:

A.R. Brouwer Company

Name: Steve Brouwer

Date: 11/19/19

Contact Info: stevebrouwer@arbrouwer.com

Acknowledged and Agreed:

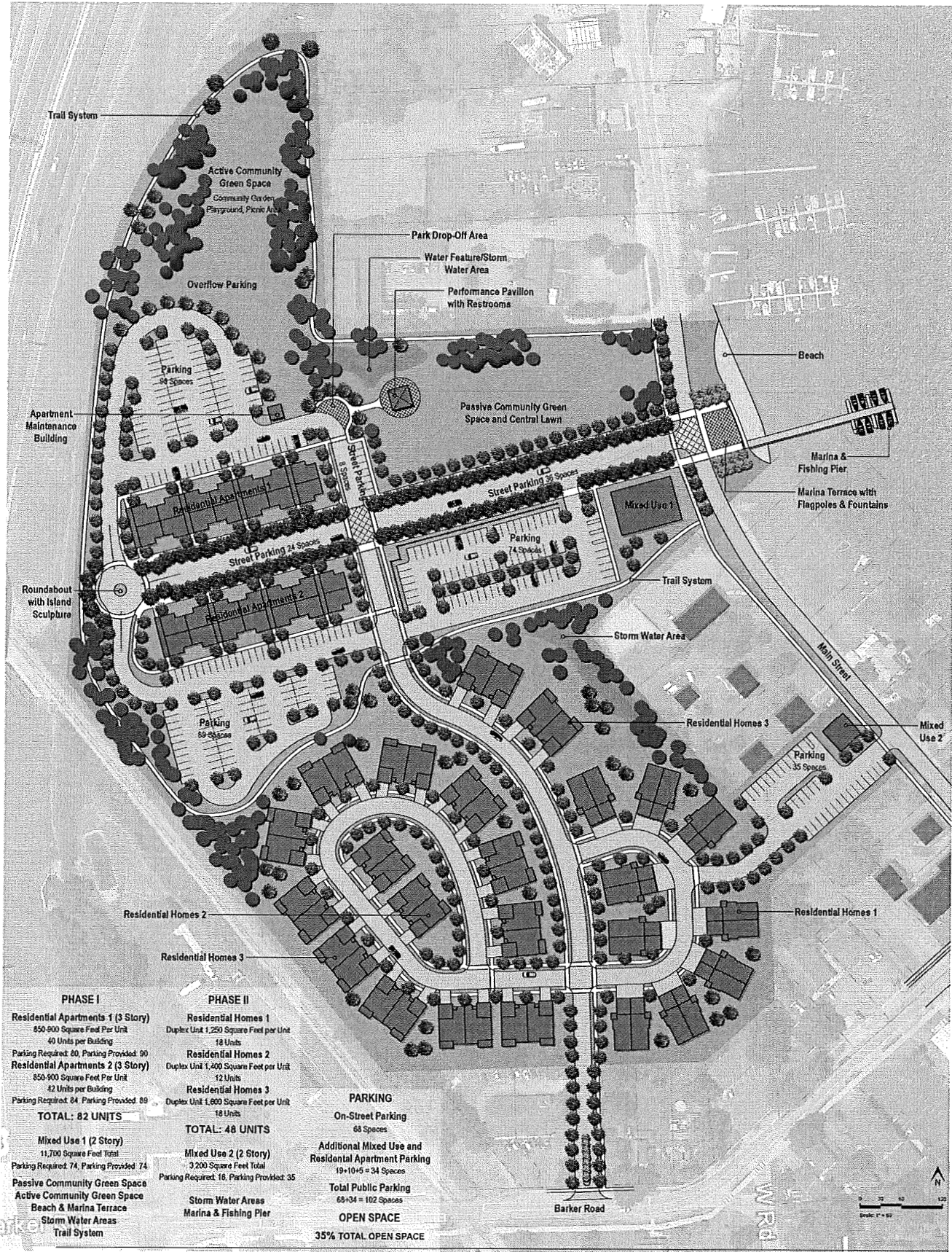
SELLER:

Northfield Township, Michigan

Name: _____

Date: _____

Contact Info: _____



PHASE I

Residential Apartments 1 (3 Story)
 650-900 Square Feet Per Unit
 40 Units per Building
 Parking Required: 80, Parking Provided: 90

Residential Apartments 2 (3 Story)
 850-900 Square Feet Per Unit
 42 Units per Building
 Parking Required: 84, Parking Provided: 89

TOTAL: 82 UNITS

Mixed Use 1 (2 Story)
 11,700 Square Feet Total
 Parking Required: 74, Parking Provided: 74

Passive Community Green Space
 Active Community Green Space
 Beach & Marina Terrace
 Storm Water Areas
 Trail System

PHASE II

Residential Homes 1
 Duplex Unit 1,250 Square Feet per Unit
 18 Units

Residential Homes 2
 Duplex Unit 1,400 Square Feet per Unit
 12 Units

Residential Homes 3
 Duplex Unit 1,600 Square Feet per Unit
 18 Units

TOTAL: 48 UNITS

Mixed Use 2 (2 Story)
 3,200 Square Feet Total
 Parking Required: 18, Parking Provided: 35

Storm Water Areas
 Marina & Fishing Pier

PARKING

On-Street Parking
 68 Spaces

Additional Mixed Use and Residential Apartment Parking
 19+10+5 = 34 Spaces

Total Public Parking
 68+34 = 102 Spaces

OPEN SPACE
 35% TOTAL OPEN SPACE



RFQ Supplemental Information for
North Village Site and Park Property
October 15, 2019



October 15, 2019

Northfield Township
Township Manager
Steve Aynes
8350 Main Street
Whitmore Lake, MI 48189

RE: RFQ for North Village Site and Park Property

Dear Mr. Aynes,

Thank you for taking the time to meet with A.R. Brouwer Company LLC and our team over the last two months. Through these meetings we have gained valuable insight into the vision for the North Village development and what is important to the community.

Based on these meetings our concept plan has been refined. We believe the current version addresses many of the Townships Master Plan goals such as mixed-use, efficient land use and improved public amenities such as pathways and public spaces. Our mix of owner-occupied units and rental units combined with the commercial buildings will achieve the North Village vision and support the economic surge Northfield Township imagines. We understand the importance of increasing the student population for Whitmore Lake Public Schools and anticipate an increase of approximately 144 students or a potential \$1,152,000 annually.

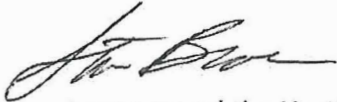
We are currently evaluating the economics of the development and intend to submit a purchase offer. We are reviewing the tax implications of the project for the Township in order to have a clear picture of the economic benefits that our project can provide. We are also evaluating the construction costs associated with this major downtown development.

Thank you for working with us on this process. We hope that you will consider postponing any action on purchase offers to allow us to submit a qualified and complete offer for your consideration.

Included with this correspondence are the proposed floor plans and elevations for the various buildings and tax information for your review. We believe they clearly indicate our progress towards a qualified purchase offer.

We look forward to continuing to work with the Township's elected officials, staff and volunteers to achieve the North Village vision.

Thank you for your consideration.

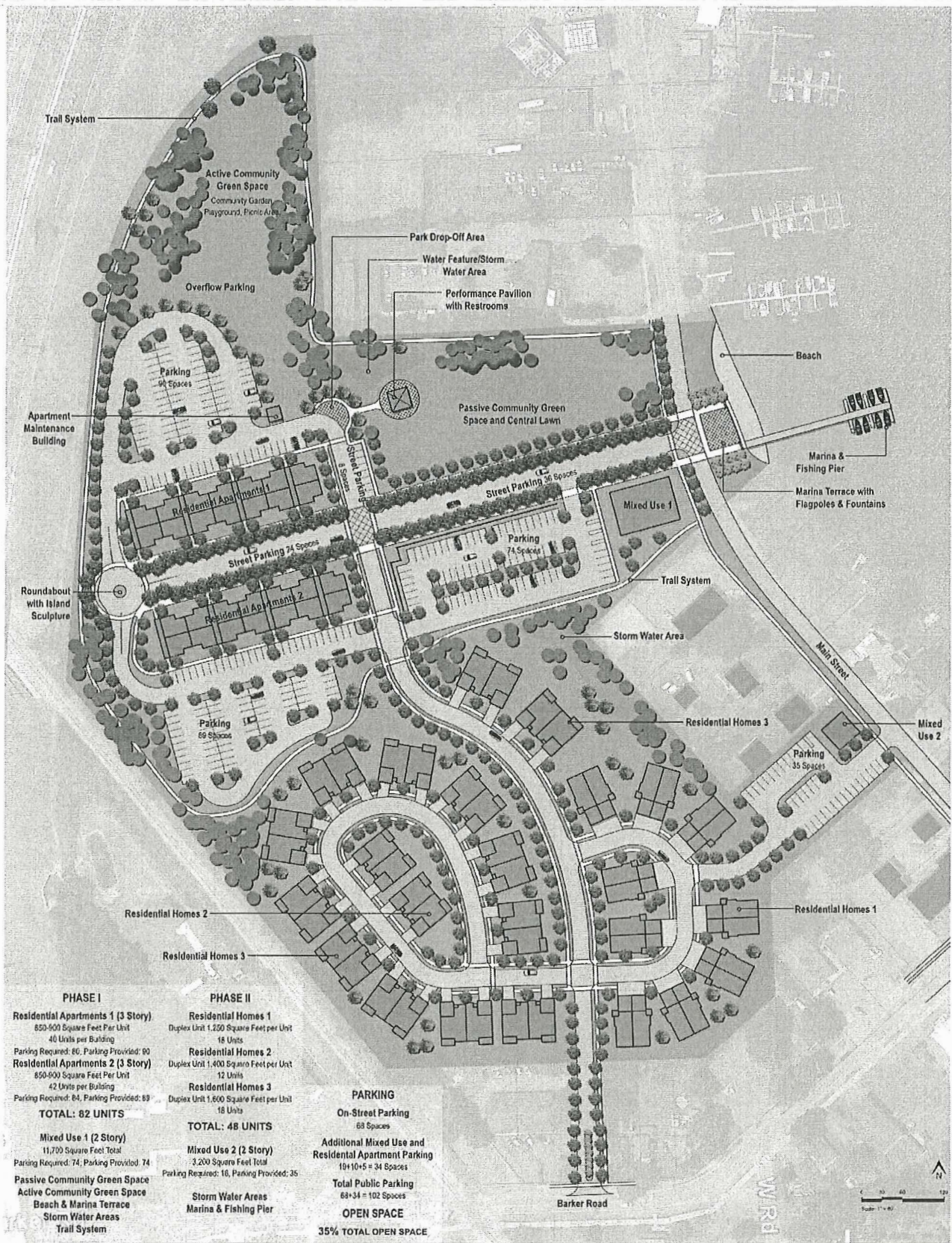
A handwritten signature in black ink, appearing to read "Steve Brouwer". The signature is fluid and cursive, with the first name "Steve" and last name "Brouwer" clearly distinguishable.

Steve Brouwer and the North Village Team

PROPERTY TAX PROJECTIONS
 NORTH VILLAGE DEVELOPMENT
 NORTHFIELD / WHITMORE LAKE
 DRAFT OCTOBER 14, 2019

		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>ASSUMPTIONS & NOTES</u>
<u>BROUWER MIXED USE DEVELOPMENT</u>									
FOR SALE HOUSING	48 Units	\$0	\$6,162	\$104,602	\$215,479	\$332,916	\$342,903	\$354,949	Taxes on land only 2021 Taxes on buildings commence 2022 \$300,000 Average Price in 2019/2020 \$150,000 Assessed amount @ 50% 41.0821 mi \$6,162 Taxes per unit Annual inflation Taxes on land only 2021, building 2022 Taxes on land only 2021, building 2023 59.0821 Mills
COMMERCIAL / RETAIL BUILDING #1		\$0	\$5,908	\$91,670	\$94,420	\$97,252	\$100,170	\$103,175	
COMMERCIAL / RETAIL BUILDING #2		\$0	\$5,170	\$5,325	\$32,280	\$33,249	\$34,246	\$35,274	
APARTMENTS		\$0	\$0	\$64,593	\$66,531	\$68,527	\$70,582	\$72,700	82 Units 5% Payment in Lieu (PILOT) Average Rc \$1,375 Per unit 90% Effective revenue after vacancy and utils, Annual inflation
TOTAL TAXES - BROUWER DEVELOPMENTS (excludes town owned community components)		\$0	\$17,240	\$266,189	\$408,710	\$531,943	\$547,902	\$566,098	
** TAXES FOCUSED ON LOCAL IMPACT (47% - excludes State, County and regional portion)		\$0	\$8,275	\$127,771	\$196,181	\$255,333	\$262,993	\$271,727	

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PHASE I

Residential Apartments 1 (3 Story)
 850-900 Square Feet Per Unit
 40 Units per Building
 Parking Required: 80; Parking Provided: 90

Residential Apartments 2 (3 Story)
 850-900 Square Feet Per Unit
 42 Units per Building
 Parking Required: 84; Parking Provided: 89

TOTAL: 82 UNITS

Mixed Use 1 (2 Story)
 11,700 Square Feet Total
 Parking Required: 74; Parking Provided: 74

Active Community Green Space
 Beach & Marina Terrace
 Storm Water Areas
 Trail System

PHASE II

Residential Homes 1
 Duplex Unit 1,200 Square Feet per Unit
 18 Units

Residential Homes 2
 Duplex Unit 1,400 Square Feet per Unit
 12 Units

Residential Homes 3
 Duplex Unit 1,600 Square Feet per Unit
 18 Units

TOTAL: 48 UNITS

Mixed Use 2 (2 Story)
 3,200 Square Feet Total
 Parking Required: 18; Parking Provided: 35

Storm Water Areas
 Marina & Fishing Pier

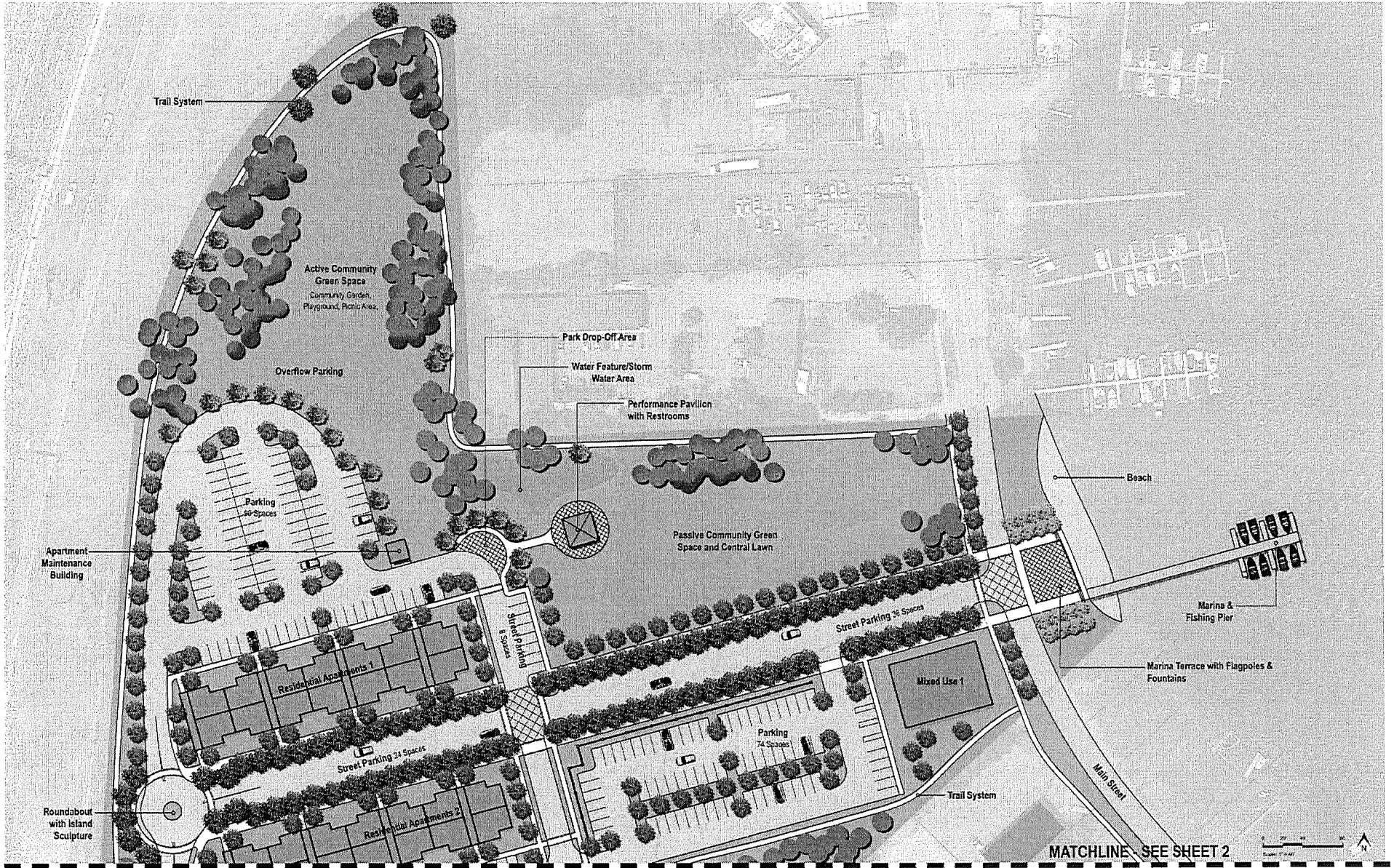
PARKING

On-Street Parking
 68 Spaces

Additional Mixed Use and Residential Apartment Parking
 191 10+5 = 34 Spaces

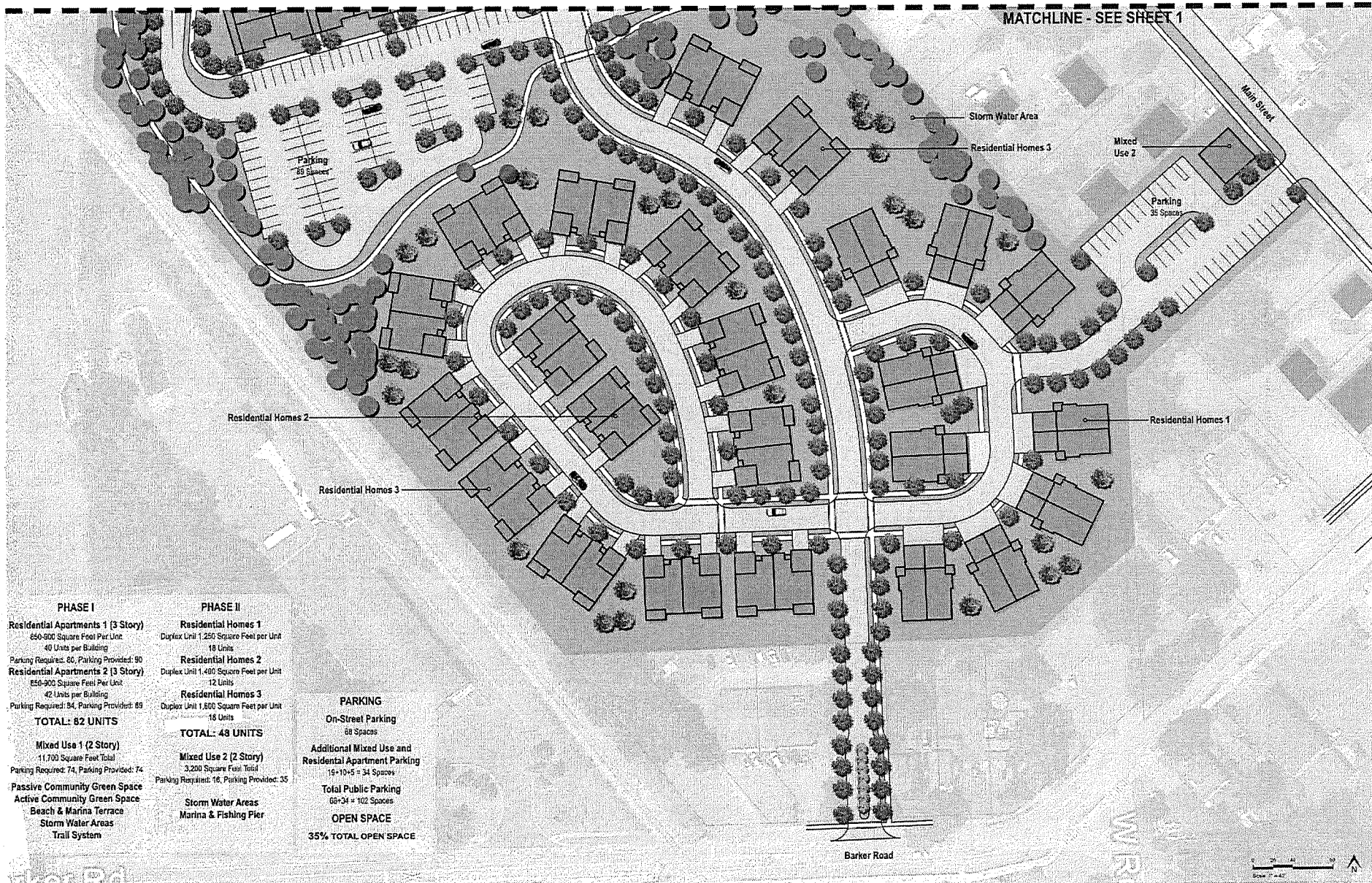
Total Public Parking
 68+34 = 102 Spaces

OPEN SPACE
 35% TOTAL OPEN SPACE



MATCHLINE SEE SHEET 2





<p>PHASE I</p> <p>Residential Apartments 1 (3 Story) 650-900 Square Foot Per Unit 40 Units per Building Parking Required: 60, Parking Provided: 90</p> <p>Residential Apartments 2 (3 Story) 650-900 Square Foot Per Unit 42 Units per Building Parking Required: 84, Parking Provided: 89</p> <p>TOTAL: 82 UNITS</p> <p>Mixed Use 1 (2 Story) 11,700 Square Feet Total Parking Required: 74, Parking Provided: 74</p> <p>Passive Community Green Space Active Community Green Space Beach & Marina Terrace Storm Water Areas Trail System</p>	<p>PHASE II</p> <p>Residential Homes 1 Duplex Unit 1,250 Square Feet per Unit 18 Units</p> <p>Residential Homes 2 Duplex Unit 1,400 Square Feet per Unit 12 Units</p> <p>Residential Homes 3 Duplex Unit 1,600 Square Feet per Unit 16 Units</p> <p>TOTAL: 48 UNITS</p> <p>Mixed Use 2 (2 Story) 3,200 Square Feet Total Parking Required: 16, Parking Provided: 35</p> <p>Storm Water Areas Marina & Fishing Pier</p>
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PARKING
 On-Street Parking
 88 Spaces

Additional Mixed Use and Residential Apartment Parking
 19+10+5 = 34 Spaces

Total Public Parking
 60+34 = 102 Spaces

OPEN SPACE
 35% TOTAL OPEN SPACE



THE LOCATION, PLANNING, DESIGN AND CONSTRUCTION OF THIS PROJECT IS SUBJECT TO THE CITY OF CHICAGO'S ZONING ORDINANCES AND ANY CHANGES TO THE ZONING ORDINANCES. THE CITY OF CHICAGO'S ZONING ORDINANCES ARE SUBJECT TO CHANGE WITHOUT NOTICE. THE CITY OF CHICAGO'S ZONING ORDINANCES ARE SUBJECT TO CHANGE WITHOUT NOTICE. THE CITY OF CHICAGO'S ZONING ORDINANCES ARE SUBJECT TO CHANGE WITHOUT NOTICE.



FLOOR PLAN
 SCALE: 1/8" = 1'-0"
 PROPOSED BUILDING AREA
 FIRST FLOOR AREA = 16,714 sq. ft.
 SECOND FLOOR AREA = 16,311 sq. ft.
 THIRD FLOOR AREA = 16,311 sq. ft.
 TOTAL: 49,336 sq. ft.



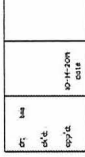
STREETFRONT RENDERING

APARTMENT FLOOR PLAN AND ELEVATION STUDY

SCALE: 1/8" = 1'-0"



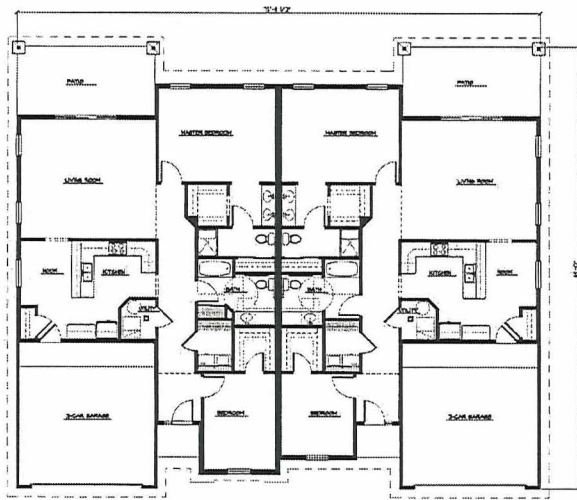
Lindhout Associates
architects aia pc
 10465 Station Ave.
 Brighton, Michigan 48116-5910
 www.lindhout.com (810)227-5555



NEW DEVELOPMENT for
A.R. BROWER - NORTH VILLAGE
 MAIN ST., NORTHFIELD TOWNSHIP, MI
APARTMENT STUDY

A1.1
1909B

THE LOCATION, PLANNING AND DESIGN OF THIS PROJECT IS THE PROPERTY OF LINDHOUT ASSOCIATES AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF LINDHOUT ASSOCIATES.

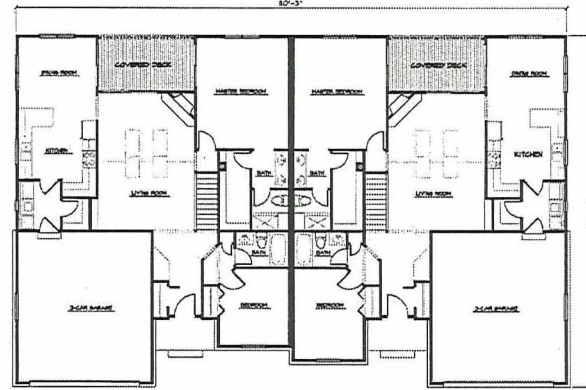


1 DUPLEX PLAN - SLAB ON GRADE OPTION
 (A2) SCALE: 1/8" = 1'-0"

PROPOSED BUILDING AREA
 FLOOR AREA = 4,076 sq.ft.
 GARAGE = 429 sq.ft.
 TOTAL = 4,505 sq.ft.



2 SAMPLE DUPLEX IMAGE - SLAB ON GRADE OPTION
 (A2) NOT TO SCALE



3 DUPLEX PLAN - BASEMENT OPTION
 (A2) SCALE: 1/8" = 1'-0"

PROPOSED BUILDING AREA
 FLOOR AREA = 3,875 sq.ft.
 GARAGE = 429 sq.ft.
 TOTAL = 4,304 sq.ft.



4 SAMPLE DUPLEX IMAGE - BASEMENT OPTION
 (A2) NOT TO SCALE

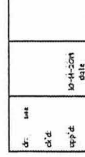
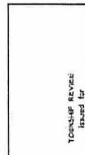
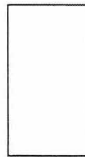
5 DUPLEX FLOOR PLAN AND ELEVATION STUDY

LINE LEGEND

---	WALL
---	DOOR
---	WINDOW
---	STAIR
---	ELEVATION

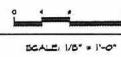


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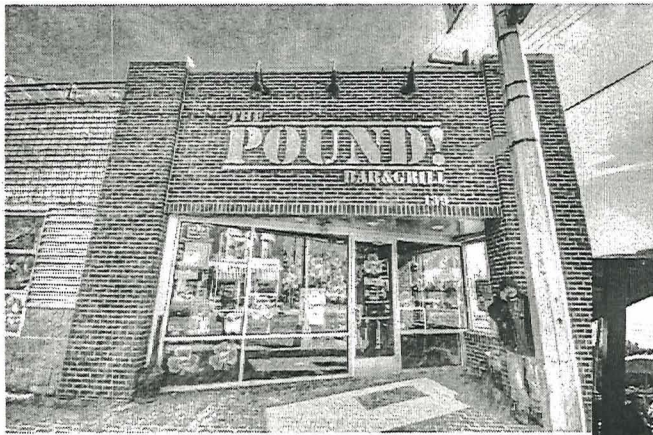


NEW DEVELOPMENT for
A.R. BROWNER - NORTH VILLAGE
 PARK ST., NORTHFIELD, TORONTO, ON
DUPLEX STUDY

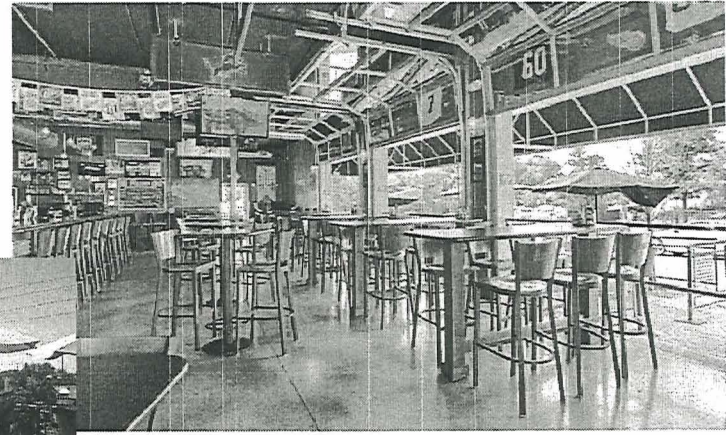
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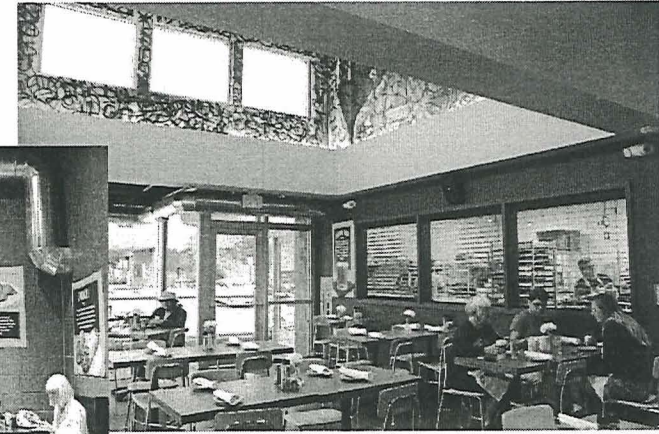
2



THE FOUND BAR & GRILL
BRIGHTON, MI



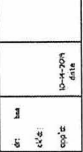
CRUST - BAKERY & RESTAURANT
PONTIAC, MI



MIXED USE EXAMPLES



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Northville, Michigan
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Tel: (810) 227-5855
Fax: (810) 227-5858



PREPARED FOR:
MR. BROUWER - NORTH VILLAGE
1000 ST. NORTFIELD, TOWNSHIP, MI
MIXED USE STUDY

AS.1
1909B

6

From: Marcus McNamara
Date: November 21, 2019 at 12:45:11 PM EST
To: Paul Lippens
Subject: North Village survey

Paul,

I apologize for the delay in getting back to you on this. I talked to our survey group and it doesn't make sense for us to get involved at this point. We will be far more expensive than Atwell since they have already done work on this site. In addition, state law now requires a field survey prior to any lot split, so we would not be comfortable drawing up a draft without first find/setting irons.

I would suggest contacting Atwell since it looks like they did the last ALTA.

-Marcus

MARCUS MCNAMARA
PROJECT MANAGER

OHM Advisors®
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Advancing Communities®

Agenda Item 5

To: Township Board
From: Steve Aynes, Township Manager
RE: Sale of Property at 75 Barker St.
Date: November 21, 2019

The Board had previously approved "Exclusive Right to Sell" agreement with Thomas A. Duke Company to serve as the Broker for Northfield Township.

This past spring, the Board received an offer to purchase for the \$ 275,000 listing amount, which the Board rejected. This was prior to the November 5 election.

Recently, the Realtor forwarded a different offer to purchase for \$ 275,000 which was on the agenda November 12, 2019. At that time, I recommended the Board table this offer, which they did, because the Purchaser's partner was out of town and wanted to be present at the board meeting where this was discussed.

Since then, several other offers to purchase have been received. I have listed these below including the tabled offer by the purchase offer dollar amount and date of offer as the easiest way to discuss these.

- \$ 275,000 10/31/2019 *
- \$ 350,000 11/7/2019
- \$ 405,000 11/18/2019 *
- \$ 420,000 11/18/2019

(The two with stars by the dates are from the same Purchaser.)

It is my understanding the Board could vote to accept one of the offers "as is", counter one offer, table one or more offers, or reject the offer(s).

Mr. Burns will be present to answer any questions the Board may have. The sale of property is required to be discussed in public session.

How would the Board like to proceed?

Since there is so much interest in the property and the desire to use for marijuana business uses, I think further negotiations with one or more of the Prospective buyers is necessary.

OFFER TO PURCHASE REAL ESTATE

THE UNDERSIGNED hereby offers and agrees to purchase the following real property;

LEGAL DESCRIPTION

(Seller to provide Legal Description)

situated in the Township of Northfield, Washtenaw County, Michigan, known as 75 Barker Rd. Whitnore Lake, MI 48189 (the "Property"), together with all improvements and appurtenances, if any, now on the premises, and to pay therefor the sum of \$ 275,000 Dollars.

UPON THE FOLLOWING CONDITIONS:

CASH SALE

1. Delivery of the usual Warranty Deed conveying a marketable title. Payment of purchase money is to be made via wire transfer or certified check.

IRREVOCABILITY OF OFFER

2. In consideration of the Thomas Duke Company's ("Broker") effort to obtain the Seller's approval, it is understood that this Offer is irrevocable after November 13, 2019, and if not accepted by the Seller by then, the deposit shall be returned forthwith to the Purchaser. If the Offer is accepted by the Seller, the Purchaser agrees to complete the purchase of said property within the time indicated.

PURCHASERS DEPOSIT

3. The Broker is hereby authorized to make this Offer on behalf of the Purchaser and the Purchaser shall deposit \$ 7,000 Dollars with Title Company within 2 business days after the mutual acceptance of this Offer to Purchase. Said deposit shall be held by him according to State of Michigan Statutes being Act No. 299, P.A. of 1980 Sect 2512 (1)(g) and applied on the purchase price if the sale is consummated. It is a condition precedent to the validity of this Agreement that all deposits shall be collectible upon presentment for payment.

EVIDENCE OF TITLE

4. As evidence of title, Seller agrees to furnish Purchaser as soon as possible a Commitment for Title Insurance in an amount not less than the purchase price bearing date later than the acceptance hereof, establishing the requirements that are required of Seller to perform the terms of this Agreement and Seller agrees to satisfy said requirements and cause to be issued at closing at Seller's expense, a Title Insurance Policy without standard exceptions guaranteeing Purchaser title to the property as provided herein. In the regard, Seller will provide Survey and Owner's Affidavit as required by the title insurance company.

TITLE OBJECTIONS

5. Purchaser shall have 5 days after the receipt of the title commitment and survey to register any objections to the title; and if no objections are made within said time limits, objections to the title shall be deemed waived. If objection to the title is made, based upon written opinions of Purchaser's attorney that the title is not in the condition required for performance hereunder, the Seller shall have 30 days from the date he is notified in writing of the particular defects claimed, either (A) to remedy the defects in title and to obtain title insurance as required above, or (B) to refund the deposit in full termination of this Agreement if, after making a good faith effort, the Seller is unable to remedy the defects in title or obtain

title insurance. Notwithstanding anything contained herein to the contrary, in the event Seller is unable to cure any title defects, Purchaser shall have the option to waive Purchaser's objection to title and proceed to close.

INSPECTIONS

6A. Purchaser shall have the right and be permitted, at his own expense, to have the property inspected by a contractor, architect or any other person(s) of Purchaser's choosing. If these inspections show any condition, use restrictions, easements of record, defects or zoning ordinances, which in the Purchaser's sole discretion, renders the property defective or otherwise unacceptable to Purchaser, Purchaser shall have the option to terminate this Agreement without further liability and, upon the exercise of such option by Purchaser, deposits made hereunder shall be returned to Purchaser. All inspections and notifications to terminate, if any, must be made within 30 days after mutual acceptance of this Offer to Purchase or the conditions of this paragraph shall be deemed waived. In no event shall Seller be responsible for any repairs. Purchaser acknowledges that the Broker has advised him to have the property inspected and he has had the opportunity to do so, and that if he does not have the property inspected, he does so at his own risk.

6B. Seller represents that to the best of his knowledge the property is free of and does not contain any pollution, contamination or other environmental hazards, which shall include, but are not limited to those provided under all Federal and State laws regulating the use and liability therefore. Purchaser shall have the right after the acceptance of this offer to complete whatever inspections he shall deem necessary to determine if the property is polluted or contaminated as defined under said respective Acts, and shall have the right to withdraw from this contract if the property is found to be environmentally defective. This right of inspection must be completed within the time constraints set forth in Paragraph 6A herein, and shall not provide any additional time in which to close. If inspection has not been completed prior to Closing, and this transaction shall be closed, the right to inspection shall be deemed waived. Purchaser acknowledges that the Broker has advised and recommended to him to obtain a report by a qualified person or firm concerning the nature and extent of hazardous substances and that if he does not have the property inspected, he does so at his own risk and that he may lose all protection under the various laws should an environmental hazard exist.

6C. Upon receipt of any report of condition of the property or the improvements thereon, including surveys, soil borings and or environmental reports, Purchaser shall provide Seller a copy upon receipt at no cost to Seller.

6D. Purchaser's election to consummate this transaction in accordance with the terms of this Agreement shall constitute the acceptance by Purchaser of the physical condition of the property, AS-IS, WHEREIS and with all faults. By closing this transaction, Purchaser releases Seller from any and all responsibility of any kind and nature with respect to the physical condition of the property, including, without limitation, the condition of the property relative to all applicable environmental laws and ordinances.

POSSESSION

7. The Seller shall deliver and the Purchaser shall accept possession of said property at Closing.

7A. The Seller shall deliver and the Purchaser shall accept possession of said property, subject to rights of the existing tenants. If the sale herein is subject to an existing lease or other interest, the Seller agrees to make available to Purchaser for examination, an exact copy of all leases or other related documents so involved including all amendments thereto within 10 days after mutual acceptance of this Offer to Purchase. If the lease(s), or other related documents are unacceptable to Purchaser, the Purchaser

shall have the right to terminate this Agreement without further liability and all deposits shall be returned to Purchaser. If written notice of intent to terminate is not given to the Seller within 5 days after receipt of said documents, then the Purchaser shall be deemed to be satisfied therewith.

RISK OF LOSS

8. The Seller is responsible for any damage to the property, except for normal wear and tear, until the closing. If there is damage, the Purchaser has the option to cancel this agreement and the deposit shall be refunded to the Purchaser or he can proceed with the closing and either: (A) require that the Seller repair the damage before the closing; or (B) deduct from the purchase price a fair and reasonable estimate of the cost to repair the property.

TAXES AND PRORATED ITEMS

9. All taxes and assessments which have become a lien upon the land at the date of closing shall be paid by the Seller. Rents, water bills, and current Municipal and County taxes, if any, shall be pro-rated and adjusted to date of closing. Taxes, if pro-rated, shall be on a due date basis.

TIME AND PLACE OF CLOSING

10. If this offer is accepted by the Seller and if title can be conveyed in the condition required hereunder, the Purchaser agrees to complete the Closing within 15 days after the expiration of the time period(s) as stated in Paragraph 5A. However, Purchaser shall not be required to close prior to ten (10) days after which a title commitment is delivered to the Purchaser as provided in Paragraph 4 above. Closing will take place at the office of the Title Company.

PURCHASER'S DEFAULT

11. In the event of default by the Purchaser hereunder, the Seller may, declare a forfeiture hereunder and retain the deposit as liquidated damages as his sole remedy, subject to the provisions of the Listing Agreement between Broker and Seller.

SELLER'S DEFAULT

12. In the event of default by the Seller hereunder, the Purchaser may, at his option, elect to enforce the terms hereof or demand, and be entitled to, an immediate refund of his entire deposit in full termination of this Agreement, as his sole remedy.

The Seller(s) represent and warrant that they are the exclusive holders of the interest to be conveyed hereunder, or that they are the duly authorized agents of the holders of said interest and are specifically empowered to enter into this contract and to convey the interest set forth and promise to provide at closing all parties required to sign the final closing documents. Seller understands that a commission will be due the Broker if the sale is not consummated because of the default of Seller or because of misrepresentation of Seller.

REPRESENTATION

13. Purchaser and Seller acknowledge that no representations, promises, guaranties, or warranties of any kind including, but not limited to, representations as to the condition of the premises were made by the Broker. Seller agrees to indemnify and hold harmless the Broker including but not limited to reimbursement of actual attorney fees for any claim of misrepresentation made against Broker for information received from Seller and given to Purchaser by Broker. This agreement supersedes any and all understandings and agreements and constitutes the entire agreement between the parties hereto and the Broker (other than listing/commission agreement, if any) and no oral representations or statements shall be considered a part hereof.

INDEMNIFICATION

14. Seller shall indemnify and hold harmless Broker and Broker's agents and subagents from any and all liability for any reason as a result of injury to person(s) or damage or loss of property arising out of the showing of Seller's premises pursuant to this listing.

15. The covenants herein shall bind and inure to the benefit of the personal representatives, administrators, successors and assigns of the respective parties. Whenever any words, including pronouns, are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words, including pronouns, are used herein in the singular or plural form, they shall be read and construed in the plural or singular, respectively, wherever they would so apply.

16. This is a legal document, and both Purchaser and Seller acknowledge that they have been advised by the Broker to consult an attorney to protect their interest in the transaction. Where the transaction involves financial and tax consequences, the parties acknowledge that they have been advised to seek the advice of their accountant or financial advisor.

17. Purchaser and Seller warrant to Broker and each other that they have dealt with no other Real Estate Broker in connection with this transaction other than the Thomas Duke Company and that no other Brokers are entitled to any commission in connection with the purchase of this property.

TIME IS OF THE ESSENCE

18. At all times under this agreement where certain time constraints are set forth, the parties have agreed that TIME IS OF THE ESSENCE and that no extensions of said time limits are expected or agreed to unless agreed to specifically in writing.

FACSIMILE & ELECTRONIC AUTHORITY

19. It is agreed to by the parties that Offers, Acceptances and Notices required hereunder can be delivered by Facsimile (Fax) copy or Electronically (Email) to the parties or their agents provided, a hard copy (originally signed copy) is mailed or delivered in a timely manner and the date and time of the receipt of the Fax or Electronic copy shall be the date and time of said Offer, acceptance or notice.

20. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

21. The Grantor grants the Grantee the right to make all division(s) under Section 108 of the Land Division Act, Act No. 288 of the Public Act of 1967.

ADDITIONAL CONDITIONS

22. Seller shall deliver to Purchaser a copy of all reports and information relative to the subject property currently in Seller's possession including but not limited to: all leases, environmental studies; site plans; surveys; current rent roll listing each tenants name, lease commencement and expiration date, amount of rent, security deposit and size of leased space; and operating statements for the last two years, within 10 days after mutual acceptance of this Offer to Purchase.

IN THE PRESENCE OF:

PURCHASER: West North Street Ventures, LLC

Richard A. Dent
Signature

[Handwritten Signature]
Signature

RICHARD A. DENT
Print Name

JAMES C. RITZ
Print Name

Dated: Oct 31, 2019

ACCEPTANCE OF OFFER

The foregoing offer is accepted in accordance with the terms stated, and the Seller agrees to sell said premises, and upon consummation, Seller hereby agrees to pay the Broker for services rendered, a commission equal to 6 % of the sale price, payable at closing.

By the execution of this instrument, the seller acknowledges the receipt of a copy of this agreement.

IN PRESENCE OF:

SELLER: Northfield Township

Signature

Signature

Print Name

Print Name

Dated: _____

COMMERCIAL PURCHASE AGREEMENT

THIS COMMERCIAL PURCHASE AGREEMENT is made and entered into this 7TH day of NOV, 2019, by and between _____ ("Seller"), whose address is and McKenzie Properties LLC a MI Limited Liability company, whose address is 5839 W. Maple Rd. Suite 109, West Bloomfield, MI 48322 ("Purchaser"), in the manner following:

- 1. PROPERTY DESCRIPTION.** Purchaser offers and agrees to purchase the property located in the City of Whitmore Lake, County of Washtenaw, Michigan, commonly known as 75 Barker, Legal to follow B-02-05-254-002
- 2. PURCHASE PRICE.** The purchase price for the Property shall be **Three Hundred Fifty Thousand 00/100 (\$350,000.00)** Dollars. Any allocation of the purchase price between the Property and Personal Property shall be set forth on an attached Exhibit.
- 3. TERMS OF PAYMENT.** The purchase price shall be paid as indicated by an "X" placed in the appropriate box below, with initials of Seller and Purchaser acknowledging Purchaser's method of payment, while the other unmarked terms of purchase shall not apply.

X CASH SALE

- 4. EARNEST MONEY DEPOSIT.** Within three (3) calendar days following the Effective Date of this Agreement, Purchaser shall deposit with Greco Title Co. ATA _____, as Seller's Broker; or Purchaser's Broker; or the Title Insurance Company; which party shall be referred to as the "Escrow Agent", Purchaser's earnest money deposit in the amount of **Five Thousand 00/100 (\$5,000.00)** Dollars, paid in cash or check representing immediately available funds (the "Deposit"). The Deposit shall be refunded to Purchaser in the event this Agreement is terminated under the terms and conditions provided for herein; or applied to the Purchase Price at Closing.
- 5. INSPECTION PERIOD.** Purchaser shall be under no obligation to purchase the Property or otherwise perform under this Agreement unless Purchaser determines the Property to be, in all respects, suitable for its intended purposes. The decision as to whether the Property is suitable for its intended purposes shall be the sole decision of Purchaser, determined in the absolute discretion of Purchaser, with Purchaser's decision being final and binding upon both parties. Purchaser shall have **AS IS WHERE IS PURCHASE** days from the Effective Date to notify Seller of its termination of this Agreement due to Purchaser's determination that the Property is unsuitable for its intended purpose (the "Inspection Period"). In the event Purchaser elects to terminate this Agreement, Purchaser shall provide written notice of termination to Seller prior to the expiration of the Inspection Period. In the event Purchaser provides said notice of termination, Seller and the Escrow Agent shall be obligated to return the Deposit to Purchaser as provided in Section 4 hereof, and neither party shall have any further rights or obligations under this Agreement. In the event Purchaser does not submit written notice of termination prior to the expiration of the Inspection Period, Purchaser shall be deemed to be satisfied with its inspections of the Property and this contingency shall therefore be deemed to be fulfilled. Seller, at no expense to Seller, shall fully cooperate with Purchaser in the obtaining of all approvals required from any federal, state or local government ("Governmental Approvals") necessary for Purchaser to satisfy itself during the Inspection Period of the suitability of the Property. Said Governmental Approvals shall be obtained during the Inspection Period unless the parties agree that additional time is required to obtain them.

6. SURVEY AND TITLE INSURANCE.

- (a) Survey:** Purchaser may, at its option, cause to be prepared an on-the-ground boundary survey of the Property (herein referred to as the "Survey" for the land split application). The metes and bounds or other legal description of the Property resulting from the Survey, if and as accepted by Purchaser, shall upon such acceptance supersede and replace the description of the Property set forth in Section 1 hereof for all purposes hereunder and shall be the description of the Property used in the Warranty Deed or Land Contract and Owner Policy of Title Insurance to be furnished hereunder, to be paid for by Seller.
- (b) Title Insurance:** Within ten (10) days of the Effective Date of this Agreement, Purchaser shall order a commitment for an Owner's ALTA Title Policy, with Standard Exceptions; or without Standard Exceptions (the "Commitment"), from Liberty Title Company (the "Title Company"), and shall provide a copy of the same to Seller upon receipt.

Purchaser shall notify Seller in writing within thirty (30) days of receipt of any concerns that Purchaser may have with such Commitment. Notwithstanding the same, Purchaser shall be under no obligation to purchase the Property from Seller unless the Title Company shall deliver to Purchaser at Closing an Owner's ALTA Policy of Title Insurance, which shall identify the Property and easements appurtenant thereto by the legal description(s) set forth on the Survey. To satisfy the requirements hereof, the Commitment shall be accompanied by legible copies of all exceptions to title referred to therein and shall be deemed to include the same. The Title Insurance Policy to be issued pursuant to the Commitment shall contain endorsements stating: (i) that the Property abuts the public street(s) immediately adjacent thereto and has direct and valid full and unrestricted access thereto at the locations designated on the Survey provided by Purchaser and (ii) such other endorsements as Purchaser may reasonably require (the "Endorsements"), provided, however, in the event any such Endorsements shall not be included in the Title Company's standard fee for the Commitment and title insurance policy, then Purchaser shall be responsible for the additional fees in connection with the issuance of such Endorsements. Seller hereby agrees to provide to the Title Company any abstracts of title covering the Property and/or any other form of title evidence it may have obtained, including any former owner's title insurance policy. Purchaser's decision as to whether satisfactory title insurance can be obtained shall be final and shall not be subject to question by Seller. Seller shall cooperate fully with Purchaser in helping Purchaser to eliminate such exceptions from Purchaser's Commitment as Purchaser may desire eliminated, and further, Seller shall cooperate fully with Purchaser to satisfy all requirements of Closing outlined in Purchaser's Commitment.

- (c) **Objections to Title and Survey.** In the event the Commitment reflects that title to the Property is not vested in Seller or if any of the building and/or use restrictions, easements, or covenants of record (the "Permitted Exceptions") would, in Purchaser's reasonable judgment, interfere with Purchaser's intended use of the Property, or if the Survey reflects that title to the Property is not in the condition as described in Section 6(a) above, or if Purchaser has any other objection to title, and Purchaser so notifies Seller in writing of such objection(s) within the time provided in Section 5, then Seller shall have (30) from the date Seller is notified in writing of the particular defect(s) claimed by Purchaser, to either: (i) remedy the title defects described in Purchaser's written notification to Seller and obtain and deliver to Purchaser a revised Commitment and/or Survey which reflects that all such defects have been remedied; or (ii) notify the Escrow Agent to promptly refund Purchaser's Deposit in full termination of this Agreement.

7. ENVIRONMENTAL WARRANTY, DISCLOSURES AND INDEMNIFICATION.

- (a) **Environmental.** To the best of Seller's knowledge, there are no areas of the Property where hazardous substances or hazardous wastes, as such terms are defined by applicable Federal, State and local statutes and regulations, have been disposed of, released, or found. No claim has been made against Seller with regard to hazardous substances or wastes as set forth herein and Seller is not aware that any such claim is current or ever has been threatened. Seller shall inform Purchaser, to the best of Seller's knowledge, of any hazardous materials or release of any such materials into the environment, and of the existence of any underground structures or utilities which are, or may be present on the Property.
- (b) **Due Diligence.** Seller shall deliver to Purchaser any documentation (for example; any title evidence, surveys, reports, studies, test results, engineering drawings, permits or tank registrations) in Seller's possession or control which relates to the Property. Within 90 days of the Effective Date, Seller understands that Purchaser requires this information and the information in 7 (a) above to properly evaluate the Property, avoid damaging underground structures and utilities and avoid causing, contributing to or exacerbating the release of a hazardous substance in the course of its investigations. Purchaser shall have the right to conduct a Phase I environmental investigation during the Inspection Period. If further activities are required, Purchaser and Seller shall determine the extent of said activities. Purchaser agrees to pay all of the costs and expenses associated with its investigation and testing and to repair and restore any damage to the Property caused by Purchaser's investigations or testing, at Purchaser's sole expense. Purchaser shall indemnify and hold Seller harmless from all costs, expenses and liabilities arising out of Purchaser's inspection of the Property, including that of Purchaser's employees, agents, consultants, or contractors performing said inspection.

8. **CLOSING AND CLOSING ADJUSTMENTS.** Closing shall take place at the offices of Liberty Title Co. and Seller shall convey the Property to Purchaser in accordance with the terms hereof at the earlier of: (i) ten days following the expiration of the Inspection Period described in Section 5; or (ii) upon Purchaser's written notification to Seller that all of the requirements set forth in Sections 5, 6 and 7 of this Agreement have been fulfilled to the full satisfaction of Purchaser, unless this Agreement is terminated as otherwise herein provided (such date for Closing and performance being hereinafter sometimes referred to as the "Closing" or "Closing Date").

9. SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS. As an inducement to Purchaser to enter into this Agreement and to purchase the Property, Seller warrants, represents and covenants to Purchaser, as follows:

- (a) **Authority.** Seller: (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of the State of Michigan or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Purchaser in accordance with the terms and provisions of this Agreement.
- (b) **Title and Characteristics of Property.** Seller, as of the date of execution of this Agreement, owns the Property in fee simple and has marketable and good title of public record and in fact and the Property at Closing shall have the title status as described in Section 6 of this Agreement.
- (c) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Seller on the Closing Date, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Seller is a party, or any judicial order or judgment of any nature by which Seller is bound. At Closing all necessary and appropriate action will have been taken by Seller authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Seller of the documents and instruments to be executed by Seller at Closing and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.
- (d) **Condemnation.** Seller has received no notice of, nor is Seller aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.
- (e) **Litigation.** There is no action, suit or proceeding pending or, to Seller's knowledge, threatened by or against or affecting Seller or the Property which does or will involve or affect the Property or title thereto. Seller will defend, indemnify and otherwise hold Purchaser harmless from any and all claims of any person due to, arising out of or relating to the Property, including any and all costs, expenses, and attorneys' fees which Purchaser may incur as a result of Seller's breach of its warranty hereunder. Seller will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Purchaser written notice thereof.
- (f) **Assessments and Taxes.** No assessments have been made against any portion of the Property which are unpaid (except ad valorem taxes for the current year), whether or not they have become liens, and Seller shall notify Purchaser of any such assessments which are brought to Seller's attention after the execution of this Agreement. Seller will pay or cause to be paid promptly all city, state and county ad valorem taxes and similar taxes and assessments, all sewer and water charges and all other governmental charges levied or imposed upon or assessed against the Property and due on or prior to the Closing Date.
- (g) **Boundaries.** (i) There is no dispute involving or concerning the location of the lines and corners of the Property; (ii) to Seller's knowledge there are no encroachments on the Property and no portion of the Property is located within any "Special Flood Hazard Area" designated by the United States Department of Housing and Urban Development and/or Federal Emergency Management Agency, or in any area similarly designated by any agency or other governmental authority; and (iii) no portion of the Property is located within a watershed area imposing restrictions upon use of the Property or any part thereof.
- (h) **No Violations.** Seller has received no notice there are any violations of state or federal laws, municipal, or county ordinances, or other legal requirements with respect to the Property, including those violations referenced in Paragraph 7 above. Seller has received no notice (oral or written) that any municipality or governmental or quasigovernmental authority has determined that there are such violations. In the event Seller receives notice of any such violations affecting the Property prior to the Closing, Seller shall promptly notify Purchaser thereof, and shall promptly and diligently defend any prosecution thereof and take any and all necessary actions to eliminate said violations.
- (i) **Foreign Ownership.** Seller is not a "foreign person" as that term is defined in the U. S. Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto, and Purchaser has no obligation under Section 1445 of the U. S. Internal Revenue Code of 1986, as amended, to withhold and pay over to the U. S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the regulations issued under said Section 1445).

(j) **Prior Options.** No prior options or rights of first refusal have been granted by Seller to any third parties to purchase or lease any interest in the Property, or any part thereof, which are effective as of the execution date.

(k) **Mechanics and Materialmen.** On the Closing Date, Seller will not be indebted to any contractor, laborer, mechanic, materialmen, architect, or engineer for work, labor or services performed or rendered, or for materials supplied or furnished, in connection with the Property for which any person could claim a lien against the Property and shall not have done any work on the Property within one hundred twenty (120) days prior to the Closing Date.

10. PURCHASER'S WARRANTIES, REPRESENTATIONS AND COVENANTS

(a) **Authority Purchaser:** (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of the State of Michigan or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this Agreement.

(b) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser on the Closing Date, and the performance by Purchaser of Purchaser's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Purchaser is a party, or any judicial order or judgment of any nature by which Purchaser is bound. At Closing all necessary and appropriate action will have been taken by Purchaser authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Purchaser of the documents and instruments to be executed by Purchaser at Closing and the performance by Purchaser of Purchaser's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.

11. DAMAGE TO PROPERTY. If between the Effective Date of this Agreement and the Closing Date, all or any part of the Property is damaged by fire or natural elements or other causes beyond the Seller's control, which cannot be repaired prior to the Closing Date, or any part of the Property is taken pursuant to any power of eminent domain, Seller shall immediately notify Purchaser of such occurrence, and Purchaser may terminate this Agreement with written notice to Seller within fifteen (15) days after the date of damage or taking. If Purchaser does not elect to terminate this Agreement, there shall be no reduction of the purchase price and Seller shall assign to Purchaser whatever rights Seller may have with respect to any insurance proceeds or eminent domain award at Closing.

12. SELLER'S CLOSING OBLIGATIONS. At Closing, Seller shall deliver the following to Purchaser:

(a) The Warranty Deed, Land Contract or Assignment of Land Contract required by Section 3 of this Agreement.

(b) A notice to any tenants advising the tenants of the sale and directing that future payments be made to Purchaser.

(c) Any other documents required by this Agreement to be delivered by Seller.

(d) An accounting of operating expenses including, but not limited to: common area maintenance statements, property tax statements, insurance binder and/or policy, a schedule of rents collected in advance or arrears, and an accurate allocation between the parties of the same pursuant to the terms herein.

(e) Other: _Seller to pay Michigan State transfer fee.

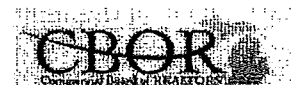
13. PURCHASER'S CLOSING OBLIGATIONS. At closing, Purchaser shall deliver to Seller the following:

(a) The cash portion of the purchase price specified in Section 3 above shall be paid by cashier's check or other immediately available funds, as adjusted by the apportionments and assignments in accordance with this Agreement.

(b) A written assumption by Purchaser of the obligations of Seller under the leases arising after closing, including an acknowledgement of the receipt of all security deposits.

(c) Any other documents required by this Agreement to be delivery by Purchaser.

(d) Other: __



14. SECTION 1031 TAX-DEFERRED EXCHANGES. Upon either party's request, the other party shall cooperate and reasonably assist the requesting party in structuring the purchase and sale contemplated by this Agreement as part of a tax deferred, like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended; provided, however, that in connection therewith, the non-requesting party shall not be required to: (a) incur any additional costs or expenses; (b) take legal title to additional real property (i.e., the requesting parties' "replacement property" or "relinquished property"); or (c) agree to delay the Closing. However, should both parties wish to complete a tax-deferred exchange, the parties will each incur their own additional expenses related to their exchange and shall split any common costs which will benefit both parties by such a division.

15. NOTICES. Unless otherwise stated in this Agreement, a notice required or permitted by this Agreement shall be sufficient if in writing and either delivered personally or by certified or express mail addressed to the parties at their addresses specified in the preamble of this Agreement, and any notices given by mail shall be deemed to have been given as of the date of the postmark. Copies of all notices shall be made as follows:

Ⓞ If to Purchaser:

Name:	Calvin Pattah
Address:	5839 W Maple Rd
Address:	W. Bloomfield, MI 48322
Telephone:	
Facsimile:	
Email:	

With copy to:

Name:	
Address:	
Address:	
Telephone:	
Facsimile:	
Email:	

Ⓞ If to Seller :

Name:	
Address:	
Address:	

With copy to:

Name:	
Address:	
Address:	
Telephone:	
Facsimile:	
Email:	

16. ADDITIONAL ACTS. Purchaser and Seller agree to execute and deliver such additional documents and perform such additional acts as may become necessary to effectuate the transfers contemplated by this Agreement.



17. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties with respect to the sale of the Property. All contemporaneous or prior negotiations have been merged into this Agreement. This Agreement may be modified or amended only by written instrument signed by the parties of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its conflict of laws principles. For purposes of this Agreement, the phrase "Effective Date" shall be the last date upon which this Agreement becomes fully executed, including any counter proposals or amendments counter-signed by the opposing party.
18. **ADVICE OF COUNSEL.** All parties involved in a real estate transaction should seek the advice of legal counsel before entering into any agreement; to determine the marketability of title; understand possible tax consequences; to ascertain that the terms of the sale are adhered to before the transaction is closed; and to obtain advice with respect to all notices related to this Agreement. Purchaser and Seller acknowledge the importance for advice to counsel and acknowledge that Broker is not an attorney and does not provide legal advice and shall not be responsible for any loss or damage resulting from the preparation of this Agreement or any addenda thereto.
19. **BROKERAGE FEE.**

Seller agrees to pay the real estate broker(s) involved in this transaction a brokerage fee equivalent to 6% on a 50/50 basis, of the selling Price each promptly to Glenn M. Eckert, Associate Broker of Select Business Agency LLC, acting as a Buyer's Agent for Purchaser, at and subject only to closing. Unless otherwise previously agreed, the parties agree that the brokerage fee may be shared between the parties' brokerage agents, in such amount as the recipients may decide. The parties acknowledge that other than the parties' real estate agents disclosed herein, no other real estate brokers, salespersons, or agents are involved in this transaction and the parties hereby indemnify and hold each other harmless from any and all such claims for brokerage fees.

20. **DEFAULT.**

- (a) **Seller's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Seller's default or failure to perform hereunder, Purchaser may, at Purchaser's option and as its sole remedy, elect to either: (i) specifically enforce the terms hereof; or (ii) demand and be entitled to an immediate refund of the Deposit, in which case this Agreement shall terminate in full.
- (b) **Purchaser's Default.** If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Purchaser's default hereunder, Seller shall be entitled, as its sole and exclusive remedy hereunder, to receipt of the Deposit amount as full and complete liquidated damages for such default of Purchaser, the parties hereby acknowledge that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Purchaser's default of this Agreement or any duty arising in connection or relating herewith. Seller's entitlement to and receipt of the Deposit is intended not as a penalty, but as full and complete liquidated damages. The right to retain such sums as full liquidated damages is Seller's sole and exclusive remedy in the event of default or failure to perform hereunder by Purchaser, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue Purchaser for any claims, injury or loss arising from or in connection with this Agreement, including without limitation: (i) for specific performance of this Agreement; or (ii) to recover any damages in excess of such liquidated damages.
21. **INCENTIVES.** Purchaser shall have the exclusive right to seek and obtain any federal, state or other governmental approval or quasi-governmental environmental or tax incentives, inducements, allowances or similar benefits (by way of example, and not in limitation of the foregoing; any Brownfield classification or any Brownfield tax and/or grant reimbursements) with respect to the Property, and Purchaser's right to do so shall take precedence over any such right of Seller with respect to the Property in the event such incentives, inducements, allowances or similar benefits may only be sought by one party. Seller shall reasonably cooperate and provide all necessary information and approvals to facilitate the same.
22. **WAIVER.** The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either party of any of its rights hereunder, nor shall it be deemed to be a waiver of subsequent or continuing breaches of that provision, unless such waiver be expressed in a writing signed by the party to be bound.
23. **DATE FOR PERFORMANCE.** If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next following business day.

24. **FURTHER ASSURANCES.** The parties agree that they will each take such steps and execute such documents as may be reasonably required by the other party or parties to carry out the intent and purposes of this Agreement.
25. **SEVERABILITY.** In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.
26. **CUMULATIVE REMEDIES.** The rights, privileges and remedies granted by Seller to Purchaser hereunder shall be deemed to be cumulative and may be exercised by Purchaser at its discretion. In the event of any conflict or apparent conflict between any such rights, privileges or remedies, Seller expressly agrees that Purchaser shall have the right to choose to enforce any or all such rights, privileges or remedies.
27. **AUTHORITY.** The undersigned officers of Seller and Purchaser, if an entity, hereby represent, covenant and warrant that all actions necessary by their respective Shareholders, Members, Partners, Boards of Directors, or other corporate entity authority will have been obtained and that they will have been specifically authorized to enter into this Agreement and that no additional action will be necessary by them in order to make this Agreement legally binding upon them in all respects. Purchaser and Seller covenant to provide written evidence of compliance with this Section (27) prior to or on the Closing Date.
28. **SUCCESSORS AND ASSIGNS.** The designation Seller and Purchaser as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.
29. **NOTICE OF CONTACT WITH THIRD PARTIES.** During the pendency of this Agreement, Seller may discuss with, or receive the submission of proposals or offers from a third party or entity relating to the purchase of the Property. In the event Seller should receive such a proposal, Seller shall promptly notify Purchaser in writing of same and, further, advise any such third party or entity of the existence of this Agreement and, if necessary, make a copy of this Agreement available to any such third party or entity with all monetary terms, dates and conditions redacted and blocked from view.
30. **ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the parties and shall become a binding and enforceable Agreement among the parties hereto upon the full and complete execution and unconditional delivery of this Agreement by all parties hereto. No prior verbal or written Agreement shall survive the execution of this Agreement. In the event of an alteration of this Agreement, the alteration shall be in writing and shall be signed by all the parties in order for the same to be binding upon the parties.
31. **RELATIONSHIP OF THE PARTIES.** Nothing contained herein shall be construed or interpreted as creating a partnership or joint venture between the parties. It is understood that the relationship is of arm's length and shall at all times be and remain that of Purchaser and Seller.
32. **RECORDING.** This Agreement shall not be recorded by either party or any of their representatives.
33. **CONFIDENTIALITY.** Subject to all other terms of this Agreement, each party agrees to maintain this Agreement and the information in this Agreement as confidential, and each will not disclose such information to any other person without the prior written consent of the other party. However, a party may disclose such confidential information to its legal counsel, to such party's real estate broker, salesperson, or agent, to other professional advisors or agents of the party, and as required by law or legal process.
34. **COUNTERPARTS.** This Agreement may be executed in counterpart originals, and facsimile or electronic signatures shall be considered as originals, each of which when duly executed and delivered shall be deemed an original and all of which when taken together shall constitute one instrument.
35. **OTHER PROVISIONS.** In addition to the provisions outlined above, the following additional provisions shall apply to the transaction as contemplated herein.

The Deposit shall be placed in Escrow within 3 Business days of Seller acceptance.

Closing to take place within 90 days of executed agreement. Subject to the municipality Approval of intended use. _____



Purchaser's Acknowledge/Agreement/Offer

By signing below, Purchaser acknowledges having read and received a copy of this Purchase Agreement.

For Purchaser:

Witnesses:

By: Calvin Pattah
Calvin Pattah for McKenzie Properties LLC

Glenn M. Eckert
Glenn M. Eckert

Its: Managing Member

By: _____

Its: _____

Seller's Acceptance

Seller accepts this Agreement on this _____ day of _____, 20____ at _____ (AM/PM) @ with the following conditions: _____

_____ or @ without qualification.

By signing below, Seller acknowledges having read and received a copy of this Agreement. If this Agreement is signed by Seller without any modification, the acceptance date stated herein shall be the Effective Date of the Agreement.

If additional conditions are stipulated herein, Seller gives Purchaser until the _____ of _____, 20____ at _____ (AM/PM) to provide its written acceptance of the counter conditions stated herein.

For Seller:

Witnesses:

By: _____

Its: _____

Purchaser's Acknowledgement of Seller's of Acceptance

Purchaser acknowledges receipt of Seller's acceptance of Purchaser's offer. If the acceptance was subject to changes from Purchaser's offer, Purchaser agrees to accept those changes, with all other terms and conditions remaining unchanged. If this Agreement is signed by Purchaser without any modification, then the date stated as Purchase's Receipt of Acceptance shall then becomes the Effective Date of this Agreement.

Seller has accepted this Agreement on this _____ day of _____, 20____, at _____ (AM/PM)

For Purchaser:

Witnesses:

By: _____
Calvin Pattah for McKenzie Properties LLC

Its: _Managing Member

Exhibits

The following exhibits are attached hereto and shall become part of this Agreement by reference

Exhibit Name	Exhibit Description	Provided By (Purchase or Seller)	Attached By (Date)
Exhibit A		Purchaser	
Exhibit B			
Exhibit C			
Exhibit D			
Exhibit E			
Exhibit F			
Exhibit G			

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OFFER TO PURCHASE REAL ESTATE

THE UNDERSIGNED hereby offers and agrees to purchase the following real property;

LEGAL DESCRIPTION

(Seller to provide Legal Description)

situated in the Township of Northfield, Washtenaw County, Michigan, known as 75 Barker Rd, Whitmore Lake, MI 48189 (the "Property"), together with all improvements and appurtenances, if any, now on the premises, and to pay therefore the sum of \$405,000.00 Dollars,

UPON THE FOLLOWING CONDITIONS:

CASH SALE

1. Delivery of the usual Warranty Deed conveying a marketable title. Payment of purchase money is to be made via wire transfer or certified check.

IRREVOCABILITY OF OFFER

2. In consideration of the Thomas Duke Company's ("Broker") effort to obtain the Seller's approval, it is understood that this Offer is irrevocable after November 28, 2019, and if not accepted by the Seller by then, the deposit shall be returned forthwith to the Purchaser. If the Offer is accepted by the Seller, the Purchaser agrees to complete the purchase of said property within the time indicated.

PURCHASERS DEPOSIT

3. The Broker is hereby authorized to make this Offer on behalf of the Purchaser and the Purchaser shall deposit \$ 7,000 Dollars with Title Company within 2 business days after the mutual acceptance of this Offer to Purchase. Said deposit shall be held by him according to State of Michigan Statutes being Act No. 299, P.A. of 1980 Sect 2512 (1)(g) and applied on the purchase price if the sale is consummated. It is a condition precedent to the validity of this Agreement that all deposits shall be collectible upon presentment for payment.

EVIDENCE OF TITLE

4. As evidence of title, Seller agrees to furnish Purchaser as soon as possible a Commitment for Title Insurance in an amount not less than the purchase price bearing date later than the acceptance hereof, establishing the requirements that are required of Seller to perform the terms of this Agreement and Seller agrees to satisfy said requirements and cause to be issued at closing at Seller's expense, a Title Insurance Policy **without standard exceptions** guaranteeing Purchaser title to the property as provided herein. **In the regard, Seller will provide Survey and Owner's Affidavit as required by the title insurance company.**

TITLE OBJECTIONS

5. Purchaser shall have 5 days after the receipt of the title commitment and survey to register any objections to the title; and if no objections are made within said time limits, objections to the title shall be deemed waived. If objection to the title is made, based upon written opinions of Purchaser's attorney that the title is not in the condition required for performance hereunder, the Seller shall have 30 days from the date he is notified in writing of the particular defects claimed, either (A) to remedy the defects in title and to obtain title insurance as required above, or (B) to refund the deposit in full termination of this Agreement if, after making a good faith effort, the Seller is unable to remedy the defects in title or obtain

title insurance. Notwithstanding anything contained herein to the contrary, in the event Seller is unable to cure any title defects, Purchaser shall have the option to waive Purchaser's objection to title and proceed to close.

INSPECTIONS

6A. Purchaser shall have the right and be permitted, at his own expense, to have the property inspected by a contractor, architect or any other person(s) of Purchaser's choosing. If these inspections show any condition, use restrictions, easements of record, defects or zoning ordinances, which in the Purchaser's sole discretion, renders the property defective or otherwise unacceptable to Purchaser, Purchaser shall have the option to terminate this Agreement without further liability and, upon the exercise of such option by Purchaser, deposits made hereunder shall be returned to Purchaser. All inspections and notifications to terminate, if any, must be made within 90 days after mutual acceptance of this Offer to Purchase or the conditions of this paragraph shall be deemed waived. In no event shall Seller be responsible for any repairs. Purchaser acknowledges that the Broker has advised him to have the property inspected and he has had the opportunity to do so, and that if he does not have the property inspected, he does so at his own risk.

This offer shall be contingent upon receiving all approvals from Northfield Township for Use as a marijuana dispensary/business. The Purchaser shall make application for such approval within 10 days of the execution of this agreement.

6B. Seller represents that to the best of his knowledge the property is free of and does not contain any pollution, contamination or other environmental hazards, which shall include, but are not limited to those provided under all Federal and State laws regulating the use and liability therefore. Purchaser shall have the right after the acceptance of this offer to complete whatever inspections he shall deem necessary to determine if the property is polluted or contaminated as defined under said respective Acts, and shall have the right to withdraw from this contract if the property is found to be environmentally defective. This right of inspection must be completed within the time constraints set forth in Paragraph 6A herein, and shall not provide any additional time in which to close. If inspection has not been completed prior to Closing, and this transaction shall be closed, the right to inspection shall be deemed waived. Purchaser acknowledges that the Broker has advised and recommended to him to obtain a report by a qualified person or firm concerning the nature and extent of hazardous substances and that if he does not have the property inspected, he does so at his own risk and that he may lose all protection under the various laws should an environmental hazard exist.

6C. Upon receipt of any report of condition of the property or the improvements thereon, including surveys, soil borings and or environmental reports, Purchaser shall provide Seller a copy upon receipt at no cost to Seller.

6D. Purchaser's election to consummate this transaction in accordance with the terms of this Agreement shall constitute the acceptance by Purchaser of the physical condition of the property, AS-IS, WHEREIS and with all faults. By closing this transaction, Purchaser releases Seller from any and all responsibility of any kind and nature with respect to the physical condition of the property, including, without limitation, the condition of the property relative to all applicable environmental laws and ordinances.

POSSESSION

7. The Seller shall deliver and the Purchaser shall accept possession of said property at Closing.

7A. The Seller shall deliver and the Purchaser shall accept possession of said property, subject to rights of the existing tenants. If the sale herein is subject to an existing lease or other interest, the Seller agrees to make available to Purchaser for examination, an exact copy of all leases or other related documents so involved including all amendments thereto within 10 days after mutual acceptance of this Offer to Purchase. If the lease(s), or other related documents are unacceptable to Purchaser, the Purchaser shall have the right to terminate this Agreement without further liability and all deposits shall be returned to Purchaser. If written notice of intent to terminate is not given to the Seller within 5 days after receipt of said documents, then the Purchaser shall be deemed to be satisfied therewith.

RISK OF LOSS

8. The Seller is responsible for any damage to the property, except for normal wear and tear, until the closing. If there is damage, the Purchaser has the option to cancel this agreement and the deposit shall be refunded to the Purchaser or he can proceed with the closing **and either: (A) require that the Seller repair the damage before the closing; or (B) deduct from the purchase price a fair and reasonable estimate of the cost to repair the property.**

TAXES AND PRORATED ITEMS

9. All taxes and assessments which have become a lien upon the land at the date of closing shall be paid by the Seller. Rents, water bills, and current Municipal and County taxes, if any, shall be pro-rated and adjusted to date of closing. Taxes, if pro-rated, shall be on a due date basis.

TIME AND PLACE OF CLOSING

10. If this offer is accepted by the Seller and if title can be conveyed in the condition required hereunder, the Purchaser agrees to complete the Closing within 15 days after the expiration of the time period(s) as stated in Paragraph 6A. However, Purchaser shall not be required to close prior to ten (10) days after which a title commitment is delivered to the Purchaser as provided in Paragraph 4 above. Closing will take place at the office of the Title Company.

PURCHASER'S DEFAULT

11. In the event of default by the Purchaser hereunder, the Seller may, declare a forfeiture hereunder and retain the deposit as liquidated damages as his sole remedy, subject to the provisions of the Listing Agreement between Broker and Seller.

SELLER'S DEFAULT

12. In the event of default by the Seller hereunder, the Purchaser may, at his option, elect to enforce the terms hereof or demand, and be entitled to, an immediate refund of his entire deposit in full termination of this Agreement, as his sole remedy.

The Seller(s) represent and warrant that they are the exclusive holders of the interest to be conveyed hereunder, or that they are the duly authorized agents of the holders of said interest and are specifically empowered to enter into this contract and to convey the interest set forth and promise to provide at closing all parties required to sign the final closing documents. Seller understands that a commission will be due the Broker if the sale is not consummated because of the default of Seller or because of misrepresentation of Seller.

REPRESENTATION

13. Purchaser and Seller acknowledge that no representations, promises, guaranties, or warranties of any kind including, but not limited to, representations as to the condition of the premises were made by the Broker. Seller agrees to indemnify and hold harmless the Broker including but not limited to reimbursement of actual attorney fees for any claim of misrepresentation made against Broker for

information received from Seller and given to Purchaser by Broker. This agreement supersedes any and all understandings and agreements and constitutes the entire agreement between the parties hereto and the Broker (other than listing/commission agreement, if any) and no oral representations or statements shall be considered a part hereof.

INDEMNIFICATION

14. Seller shall indemnify and hold harmless Broker and Broker's agents and subagents from any and all liability for any reason as a result of injury to person(s) or damage or loss of property arising out of the showing of Seller's premises pursuant to this listing.

15. The covenants herein shall bind and inure to the benefit of the personal representatives, administrators, successors and assigns of the respective parties. Whenever any words, including pronouns, are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words, including pronouns, are used herein in the singular or plural form, they shall be read and construed in the plural or singular, respectively, wherever they would so apply.

16. This is a legal document, and both Purchaser and Seller acknowledge that they have been advised by the Broker to consult an attorney to protect their interest in the transaction. Where the transaction involves financial and tax consequences, the parties acknowledge that they have been advised to seek the advice of their accountant or financial advisor.

17. Purchaser and Seller warrant to Broker and each other that they have dealt with no other Real Estate Broker in connection with this transaction other than the Thomas Duke Company and that no other Brokers are entitled to any commission in connection with the purchase of this property.

TIME IS OF THE ESSENCE

18. At all times under this agreement where certain time constraints are set forth, the parties have agreed that TIME IS OF THE ESSENCE and that no extensions of said time limits are expected or agreed to unless agreed to specifically in writing.

FACSIMILE & ELECTRONIC AUTHORITY

19. It is agreed to by the parties that Offers, Acceptances and Notices required hereunder can be delivered by Facsimile (Fax) copy or Electronically (Email) to the parties or their agents provided, a hard copy (originally signed copy) is mailed or delivered in a timely manner and the date and time of the receipt of the Fax or Electronic copy shall be the date and time of said Offer, acceptance or notice.

20. This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

21. The Grantor grants the Grantee the right to make all division(s) under Section 108 of the Land Division Act, Act No. 288 of the Public Act of 1967.

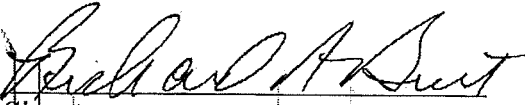
ADDITIONAL CONDITIONS

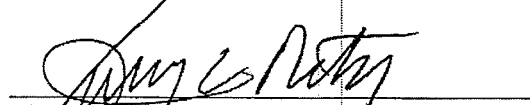
22. Seller shall deliver to Purchaser a copy of all reports and information relative to the subject property currently in Seller's possession including but not limited to: all leases, environmental studies; site plans; surveys; current rent roll listing each tenants name, lease commencement and expiration date,

amount of rent, security deposit and size of leased space; and operating statements for the last two years, within 10 days after mutual acceptance of this Offer to Purchase.

IN THE PRESENCE OF:

PURCHASER: West North Street Ventures, LLC


Signature


Signature

Richard A Burt
Print Name

JAMES C. RITZ
Print Name

Dated: 11-18-2019

Nov 18, 2019

ACCEPTANCE OF OFFER

The foregoing offer is accepted in accordance with the terms stated, and the Seller agrees to sell said premises, and upon consummation, Seller hereby agrees to pay the Broker for services rendered, a commission equal to 6 % of the sale price, payable at closing.

By the execution of this instrument, the seller acknowledges the receipt of a copy of this agreement.

IN PRESENCE OF:

SELLER: Northfield Township

Signature

Signature

Print Name

Print Name

Dated: _____

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the last date both Parties below of have executed this Agreement (the "Effective Date"), by and among Northfield Twp. (the "Seller"), and Green Bronco II, LLC, a Michigan limited liability company (the "Buyer"). Buyer and Seller are sometimes referred to individually as a "Party" and together as the "Parties."

RECITALS

A. Seller owns certain real property located in the Township Of Northfield, County of Washtenaw, State of Michigan, commonly known as 75 Barker Rd, Whitmore Lake, MI 48189 (the "Real Property"), as more particularly described on Exhibit A attached hereto.

B. Buyer is desirous to buy from Seller and Seller is desirous to sell the Real Property under the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, and for other good and valuable consideration, Buyer and Seller agree as follows:

AGREEMENT

1. PURCHASE AND SALE. Subject to the terms and conditions herein contained, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, all of Seller's interest in the following property, subject to easements, zoning, restrictions and other matters of record concerning the Real Property (collectively the "Property"):

(a) All buildings, structures and improvements now or hereafter located or erected on the Real Property (collectively the "Buildings"); and

(b) All right, title and interest of Seller in and to: (i) all public or private streets, roads, or alleys, adjoining or abutting the Real Property; (ii) any and all strips and gores of land adjoining the Real Property; and (iii) all the estate, rights, privileges, easements and appurtenances belonging or in anywise appertaining to the Real Property or the Buildings.

2. PURCHASE PRICE; DEPOSIT.

(a) The purchase price for the Property shall be Four Hundred Twenty Thousand and 00/100 (\$420,000.00) Dollars (the "Purchase Price"). The Purchase Price shall be subject to such pro-rations, credits, allowances or other adjustments as provided for in this Agreement.

(b) The Purchase Price plus or minus any adjustments permitted herein, shall be paid in full at closing by wire transfer or certified funds.

(c) Within ten (10) days of its receipt of a fully executed copy of the Agreement from the Seller, Buyer shall deposit with Dream Title and Escrow Agency, 8332 Office Park Drive, Suite C, Grand Blanc, MI 48439 as agent for Westcor Land Title Insurance Company (the "Title Company" or "Escrow Agent"), the amount of Five Thousand and 00/100 (\$5,000.00) Dollars (the "Deposit"), as an earnest money deposit to be applied toward the Purchase Price due and payable by Buyer to Seller under this Agreement or released as otherwise provided in this Agreement.

3. TIME OF CLOSING/PLACE OF CLOSING. The closing shall take place within thirty (30) days after expiration of the Inspection Period, or any extension thereof, or Buyer providing Seller written notice that Buyer is satisfied with Buyer's inspections and ready to conduct closing ("Notice to Proceed"), whichever is earlier, (the "Closing Date"). The Closing shall take place at the office of the Title Company.

4. COMMITMENT FOR TITLE POLICY AND SURVEY.

(a) Within ten (10) days following the Effective Date, Seller shall procure and deliver to Buyer (together with a copy of all exceptions) a complete commitment for an owner's extended policy of title insurance on a 2006 jacket (the "Title Commitment") issued by the Title Company in an amount equal to the Purchase Price. Seller shall pay the premium for the Title Company to deliver to Buyer at the Closing a "marked up" title commitment (or, at Buyer's election, a pro forma owner's title insurance policy) for an owner's policy of title insurance showing title in the manner required hereunder: (i) with standard exceptions; and (ii) in the amount of the Purchase Price (the "Title Policy"). In the event that Buyer desires to have a title insurance policy without standard exceptions, the cost of the survey required for the Title Company to provide a title insurance policy without standard exceptions shall be borne by Buyer, as set forth below in 4(b). Seller will cooperate in providing the Title Company with an owner's affidavit to Seller's knowledge, without investigation, and any other reasonable documentation in its possession or control needed to remove the standard exceptions on the title commitment, to the extent such affidavit and documentation do not add to, expand or extend Seller's representations in this Agreement. The cost of the title search, the issuance of the Title Commitment and the issuance of the Title Policy shall be Seller's expense, however, the cost of any endorsements to the Title Policy that "insure over" defects in Seller's title or otherwise cure Buyer's objections to title,

or the cost of any other endorsements to the Title Policy which Buyer desires that are available at an additional expense shall be at Buyer's cost.

(b) Buyer may procure, at its option and with no obligation to do so, at Buyer's cost, an ALTA/ACSM survey of the Property (the "Survey"). If Seller has an ALTA/ACSM or other survey of the Property that was prepared prior to the Effective Date (an "Existing Survey"), Seller shall deliver to Buyer within five (5) days following the Effective Date a copy of such Existing Survey (to the extent Seller has an Existing Survey and such was not previously delivered to Buyer). The legal description of the Property as set forth in the Title Commitment shall be used in all conveyance documents.

5. TITLE OBJECTIONS. Buyer shall have fourteen (14) days after Buyer's receipt of the Title Commitment with complete, legible copies of the underlying documents within which to deliver written notice to Seller of any objections to the status of Seller's title to the Property. If any such objection(s) to the Title Commitment are timely made, Seller shall have five (5) days from the date such written objections have been delivered to Seller to: (i) remedy the objections to Buyer's satisfaction (or agree in writing to have same remedied at or before Closing); (ii) obtain title insurance over the objections satisfactory to Buyer; or (ii) terminate this Agreement, and the Deposit shall be returned to Buyer, in which event neither Party shall have any further liability to the other except for those liabilities that survive termination as provided herein. Notwithstanding the foregoing, Buyer shall have the right, within five (5) days after Seller's termination of this Agreement as provided above in this Section, to waive in writing such objections and continue this Agreement in force. If Seller does not terminate this Agreement or agree in writing to have such objections remedied at or before Closing, then if Seller is unable to remedy the objections or obtain title insurance over the objections within Seller's five (5)-day period specified above, then, (unless Buyer chooses to waive such objections during its five (5)-day period to so waive above), Buyer may, at its option, upon written notice to Seller given within five (5) days of the expiration of Seller's period above, terminate this Agreement, and the Deposit shall be returned to Buyer, in which event neither Party shall have any further liability to the other under this Agreement, except as set forth in herein. If Buyer does not terminate this Agreement, it will be deemed to have accepted such title matters objected to and the same shall be Permitted Exceptions as defined herein. If, within the time period specified above, Seller remedies the objections or obtains title insurance over the objections reasonably acceptable to Buyer, Buyer agrees to proceed under the terms of this Agreement, subject to the satisfaction of the remaining contingencies and the remaining conditions to Closing set forth herein. All easements, restrictions and other matters of record; public and utility easements; zoning and other municipal ordinances; drainage and utility district charges and assessments; general real estate taxes not yet due and payable; special and other assessments for improvements not yet completed, any matter disclosed on the Title Commitment or the Survey which Buyer has not objected to, has been remedied by Seller as provided above or with respect to which objection has been waived or deemed accepted by Buyer, shall be deemed "Permitted Exceptions." No interest of any tenant or other occupant shall be considered a Permitted Exception (except for such leases that will be terminated at or before Closing) and Buyer shall be deemed to have objected thereto (whether or not written notice of such objection is provided). If the Title Commitment is substantively amended or supplemented with new exceptions (not as a result of Buyer's acts) after Buyer

has submitted its objections (except for taxes and/or installments of assessments becoming due or liened), the same time periods, procedures and notices for objections and clearance of title shall apply to new matters disclosed thereby.

6. POSSESSION. Seller shall deliver, and Buyer shall accept, possession of the Property at Closing free of any and all tenants or other occupants except for those disclosed in Exhibit B; and in connection with such delivery, Seller shall give Buyer all keys, access codes and cards, security codes and the like to the Property and the Buildings. Notwithstanding the foregoing, Buyer and Seller agree that Seller shall have 30 days following the date of Closing to wind up Seller's business affairs and remove all personal property belonging to Seller. During such vacating period Seller shall maintain commercial general liability insurance naming Buyer as an additional insured. In the event that Seller fails to vacate within the allotted time, Seller shall thereafter be deemed a holdover tenant with rent due in the amount of \$250/day.

7. TAXES, ASSESSMENTS, PRORATED ITEMS, RECORDING FEES.

(a) Any real property taxes shall be prorated and adjusted, Buyer to have the last day, to and including the Closing Date. Real property taxes shall be prorated according to the custom in the locality where the Property is located.

(b) Water bills and sewer bills and other utility charges, rates, rents, and other costs shall be paid by Seller up to, but not including, the Closing Date, and an escrow shall be created for same at Closing, or in lieu thereof, final reading(s) and billing(s) to Seller shall occur on the Closing Date, with Buyer responsible for the Closing Date.

(c) Any transfer taxes relating to the sale of the Property shall be paid by Seller on the Closing Date and both Parties agree to execute any tax forms required in connection therewith.

(d) Buyer shall pay all recording fees for the Warranty Deed (as defined herein), and Seller shall pay all recording fees with respect to any documents required to be recorded in order to permit Seller to convey to Buyer title to the Property in the condition as required hereunder.

8. INSPECTION PERIOD. Buyer shall have One Hundred and Twenty (120) days following the Effective Date (the "Initial Inspection Period") to inspect and investigate the physical condition of the Buildings and all other aspects of the Property, including the feasibility of zoning and licensing requirements for Buyer's intended use, at Buyer's sole cost and expense. Buyer shall provide reasonable advance notice to Seller by telephone of Buyer's on-site inspections and investigations, and Buyer shall schedule such inspections during non-business hours if requested by Seller. Seller agrees to cooperate fully with Buyer's reasonable requests for information, data, documents, and access to the Property as necessary or desirable for Buyer's due diligence. Buyer's obligations under this Section shall survive any termination of this Agreement.

The Buyer may extend the Initial Inspection Period for an infinite number of periods times and each extension shall be for an additional period of 45 days (the "Extension Period") and, together with the Initial Inspection Period, the "Inspection Period") by providing Seller written notice via electronic mail, certified mail or facsimile prior to the expiration of the then current Inspection Period or Extension Period. In the event that Buyer elects to extend the Inspection Period, Buyer shall deposit with the Title Company the sum of One Thousand and 00/100 (\$1,000.00) for each Extension Period exercised within three (3) days of the expiration of the then current Inspection Period or Extension Period with such sums being applied to the Purchase Price at Closing or retained by Seller as liquidated damages in the event of subsequent termination of this Agreement. During the Extension Periods, the original Deposit made pursuant to Section 2(c) shall remain fully refundable to Buyer.

9. CONDITIONS PRECEDENT.

(a) Buyer's obligation to purchase the Property and to pay the Purchase Price and to make the closing deliveries required under this Agreement is expressly subject to the satisfaction of the following conditions precedent:

(i) On the Closing Date, all of Seller's representations and warranties shall be true and correct and Seller shall have performed each covenant to have been performed by Seller under this Agreement within the time specified.

(ii) On the Closing Date, there shall be no litigation, arbitration, administrative hearing and/or proceeding pending, seeking: (A) to enjoin the consummation of the transactions contemplated hereunder or cause the transactions contemplated hereunder to be rescinded after consummation thereof; (B) to recover title to the Property, or any part thereof or any interest therein; or (C) to enjoin the violation of any law, rule, regulation, restrictive covenant or zoning ordinance on the Property.

(iii) Buyer shall have received all such instruments and documents as Buyer's counsel shall reasonably require and timely request to the extent same are customary in transactions of this kind to establish the power and authority of Seller to execute and deliver this Agreement and to carry out Seller's obligations hereunder.

(iv) Seller shall have made all of the closing deliveries required under the terms of this Agreement.

(v) Buyer shall have obtained all local municipal approvals for Buyer's intended use under terms and conditions acceptable to Buyer.

(vi) Any leases or occupancy agreements with respect to the Property have been terminated.

Buyer may, at its election, waive any of the foregoing conditions precedent set forth above, and proceed with the Closing of the transaction contemplated by this Agreement. In the event that Closing has been consummated, then all remaining unsatisfied conditions precedent shall be deemed to have been waived.

(b) Seller's obligation to sell the Property and to make the closing deliveries required under this Agreement is subject, without limitation, to the satisfaction of the following conditions precedent:

(i) Payment of the Purchase Price by Buyer to Seller on the Closing Date, plus or minus any prorations or adjustments applicable herein.

10. CLOSING DOCUMENTS.

(a) On the Closing Date, Seller shall deliver the following (which shall be executed by Seller, and such other party, or parties, as may be designated therein, and where required acknowledged):

(i) A Warranty Deed (the "Deed") conveying the Property to Buyer, together with a Real Estate Transfer Tax Valuation Affidavit (the "RETTVA") with respect to the Property

(ii) A termination of any existing lease agreements or occupancy agreements related to the Property executed by Seller and any lessee or occupant of the Property.

(iii) A certificate of Seller confirming the truth and correctness of all representations and warranties of Seller set forth in Section 15(a) hereof from the Effective Date to, and as of, the Closing Date.

(iv) A closing statement and such other documents as may be reasonably required by the Title Company.

(v) All keys to the Buildings.

(b) On the Closing Date, Buyer shall deliver the following:

(i) The Purchase Price to the Seller.

11. DEFAULT; TERMINATION. In the event of a default by Buyer under this Agreement, following the expiration of ten (10) days' advance notice and opportunity to cure, Seller shall be entitled to terminate this Agreement, whereupon the Deposit shall be paid to Seller as agreed upon liquidated damages as Seller's sole and exclusive remedy and neither Party shall have any further liability to the other under this Agreement, except for those liabilities that survive termination. In the event of a default by Seller hereunder following the expiration of ten (10) days' advance notice and opportunity to cure, Buyer shall be entitled to elect one of the following remedies as its sole and exclusive remedy: (a) termination of this Agreement and the return of the Deposit to Buyer or (b) the right to seek

PC Draft: 11/14/19

specific performance. A default by Buyer or Seller under any of the Transaction Agreements constitutes a default by such Party under all Transaction Agreements.

12. NOTICES. Any notice, demand, or other communication required to be given or to be served upon any Party hereunder shall be in writing and delivered to any method below via electronic mail, certified mail, facsimile or in person.

If to Seller:	Email Facsimile
with a copy (which shall not constitute notice) to:	
If to Buyer:	Green Bronco, LLC 3458 Connors Drive Rochester Hills, MI 48307 Omar.Fakhouri1@gmail.com
with a copy (which shall not constitute notice) to:	Joey Kejbou, Esq. 74 W. Long Lake, Suite 203 Bloomfield Hills, MI 48304 joey@jpklegal.com

13. GENERAL PROVISIONS. The pronouns and relative words herein used are written in the masculine and singular only. If more than one person or entity joins in the execution hereof as Seller or Buyer, or either Party is of the feminine sex or an entity, such words shall be read as if written in plural, feminine or neuter, respectively. The covenants herein shall bind the heirs, personal representatives, administrators, executors, assigns and successors of the respective Parties.

14. ADDITIONAL DOCUMENTS. Each Party agrees to execute any additional documents reasonably requested by the other Party to carry out the intent of this Agreement.

15. SELLER'S AND BUYER'S REPRESENTATIONS, WARRANTIES AND DISCLOSURES.

(a) Seller represents, warrants and discloses to Buyer that:

(i) Seller owns the Property and has all rights to sell the Property.

(ii) Seller has not received any written outstanding court order, writ, injunction or decree of any court, arbitration panel or governmental agency affecting Seller which restricts the ability of Seller to sell the Property to Buyer in accordance with the terms of this Agreement.

(iii) Seller has received no written notice of any pending or threatened condemnation of the Property.

(iv) From the Effective Date to the Closing Date, Seller shall not transfer any of the Property, grant any options to purchase in connection therewith or related thereto, or affirmatively create any easement or mortgage the Property.

(v) There are no leases, service contracts, management agreements or other similar contracts, to which Seller is a party to with respect to the Property that will be binding on Buyer that will not be terminated at Closing.

(vi) Seller has not been served with any written notices of intention to claim a construction lien against the whole or any part of the Property.

(vii) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any debtor relief laws filed by Seller with respect to the Property.

(viii) Neither this Agreement, nor any document or instrument to be signed by Seller in connection with this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary to make each statement contained herein or therein not materially misleading.

(ix) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder.

(x) Seller has good and marketable title in fee simple to the Property. The Property has not been assigned or conveyed to any party.

(xi) There are no judgments presently outstanding and unsatisfied against Seller or the Property. Neither Seller nor the Property is involved in any litigation at law or in equity, or any other proceeding before any court, or by or before any governmental or administrative agency, whether relating to the transaction contemplated hereby or otherwise, and no such litigation or proceeding is threatened or pending but not yet served against Seller or the Property.

(xii) The Buildings, including, without limitation, all building systems and structural components are in good condition and repair, and there exist no defects in the Buildings. All installations, repairs, alterations or any other work done or being done to the Buildings, and all fixtures included in the sale, have been paid in full.

(b) Buyer represents, warrants and discloses to Seller:

(i) (A) Buyer is an entity in good standing under the laws of the State of Michigan.

16. OPERATION OF THE PROPERTY. From the Effective Date through the Closing Date, Seller shall:

(a) Operate the Property as it has historically operated it and in accordance with applicable laws.

(b) Keep and maintain in full force and effect similar insurance coverage with regard to Seller and/or the Property as Seller maintains as of the Effective Date.

(c) Subject to the provisions herein upon a casualty prior to Closing, keep and preserve the Property in substantially the same condition than existing as of the Effective Date.

(d) Not, without obtaining the prior written consent of Buyer which consent may be withheld by Buyer in Buyer's sole and absolute discretion, enter into any lease or other agreement with respect to the Property which will extend in force beyond the Closing Date and which binds Buyer or the Property thereafter.

(e) Not, without obtaining the prior written consent of Buyer which consent may be withheld by Buyer in Buyer's sole and absolute discretion, initiate a change in the zoning applicable to the Property.

(f) Cooperate with Buyer in connection with any licenses, permits or other applications or approvals that Buyer may need to make with any local governmental agencies in connection with Buyer's use of the Property after the Closing Date, provided same are not effective until after Closing and are not binding upon Seller.

(g) Provide Buyer with prompt written notice of any claims, litigation, arbitration, administrative hearings, proceedings or investigations relating to the Property of which Seller receives written notice delivered to it after the Effective Date.

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(h) Pay all utility charges and other service charges accrued through the date of closing.

17. INDEMNIFICATION.

(a) Seller covenants and agree to indemnify, defend, protect and hold harmless, Buyer and its respective members, managers, officers, directors, employees, (individually a "Buyer Indemnified Party" and collectively the "Buyer Indemnified Parties") from, against and in respect of all liabilities, losses, claims, damages, causes of action, lawsuits, administrative investigations, audits, demands, assessments, adjustments, judgments, settlement payments, deficiencies, penalties, fines, interest (including interest from the date of such damages), costs and expenses (including without limitation reasonable attorneys' fees and disbursements of every kind, nature and description) but net of any insurance and tax benefits and excluding any consequential or incidental damages (collectively, "Damages") suffered, sustained or incurred or paid by the Buyer Indemnified Parties in connection with, resulting from or arising out of: (i) any material breach of any representation or warranty of Seller as set forth in this Agreement or in any instrument executed by Seller and delivered to Buyer at Closing; (ii) the assertion against any Buyer Indemnified Party of any Damages relating to injury on the Property accruing and/or occurring prior to the Closing Date, except for any such Damages in connection with Buyer's inspection of the Property under this Agreement; or (iii) any unpaid taxes of Seller with respect to the Property to any local, State or Federal governmental authority that would be Seller's responsibility under the terms of this Agreement. The above indemnity is expressly subject to Buyer delivering notice to Seller within 10 days of any Buyer Indemnified Party having knowledge of any matter or action or similar proceeding that triggers such Damages and Seller shall have the sole option of defending itself and controlling any defense thereof.

18. SECTIONS AND OTHER HEADINGS. Section and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

19. TIME. In computing any period of time prescribed by the terms of this Agreement, the day from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday (i.e., not a "Business Day"), in which event the period shall run until the end of the next day which is a Business Day. In the event any day on which any act is to be performed by Seller or Buyer under the terms of this Agreement is not a Business Day, the time for the performance by Seller or Buyer of any such act shall be extended to the next day which is a Business Day.

20. WAIVER. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

21. EMINENT DOMAIN. If before Closing all or any part of the Property is taken by eminent domain, Buyer may terminate this Agreement, whereupon the Deposit shall be returned to Buyer. If Buyer does not terminate, this Agreement will remain in effect and Seller will assign to Buyer all of Seller's rights to receive any awards that may be made for such taking.

22. RISK OF LOSS. Risk of loss to the Property from casualty shall be borne by Seller until the Closing and Seller shall be entitled to all insurance proceeds from any such loss (subject to the following). If the Property or any such part thereof is substantially damaged or destroyed as a result of such casualty, Seller shall immediately notify Buyer and Buyer may elect in a writing delivered to Seller within ten (10) Business Days thereafter to: (a) proceed with the Real Estate Transaction and be entitled to an assignment of all net insurance proceeds paid to Seller as a result of such casualty, less any costs of restoration incurred and paid for by Seller; or (b) terminate this Agreement, whereupon the Deposit shall be returned to Buyer and the Parties shall have no further liability to each other, except as set forth herein. If Buyer fails to make an election within ten (10) Business Days after receipt of Seller's notice of such casualty, Buyer shall be deemed to have elected to proceed with the Real Estate Transaction pursuant to clause (a) of this Section.

23. ASSIGNMENT OF PURCHASE AGREEMENT. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their successors, heirs and permitted assigns. This Agreement may be assigned by Buyer prior to closing. The Seller may not assign this Agreement, any of its rights hereunder or its interest in the Property to any third party without the prior written consent of the Buyer, which consent may be withheld by Buyer in its sole and absolute discretion.

24. ENTIRE AGREEMENT AND AMENDMENTS. This Agreement (and the Recitals, and the Exhibits attached hereto, which are by this reference incorporated herein and made a part hereof) constitutes the entire agreement between the Parties with respect to the subject matter hereof.

25. SEVERABILITY. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provisions were omitted.

26. NO THIRD PARTY BENEFICIARIES. Except as otherwise specifically provided herein, nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than Seller and Buyer, any rights or remedies under or by reason of this Agreement.

27. CHOICE OF LAW; JURISDICTION. It is the intention of the Parties that the laws of the State of Michigan should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Parties.

28. ARM'S LENGTH NEGOTIATIONS. Buyer and Seller each represent and warrant to the other that: (a) before executing this Agreement, said Party has fully informed itself of the terms, contents, conditions, and effects of this Agreement; (b) said Party has relied solely and completely upon its own judgment in executing this Agreement; (c) said Party has had the opportunity to seek and has obtained the advice of counsel before executing this Agreement; (d) said Party has acted voluntarily and of its own free will in executing this Agreement; (e) said Party is not acting under duress, whether economic or physical, in executing this Agreement; and (f) this Agreement is the result of arm's length negotiations conducted by and between the Parties and their respective counsel. The representations and warranties set forth in this Section 30 shall survive the Closing or the termination of this Agreement.

29. CONFIDENTIALITY. Seller and Buyer will, prior to the Closing, keep all non-public information regarding this transaction or the other Party strictly confidential, except as may be required by law or in connection with any enforcement proceedings, including, without limitation, any lawsuit between the Parties. No press release or other public announcement related to this Agreement or the transaction contemplated hereby will be issued by any Party hereto without the prior approval of the other Party. Nothing in this Section, shall prohibit either Party from disclosing any such information to its attorneys, accountants, consultants, or lenders who shall be advised to keep same confidential. In addition thereto, it shall not be a violation of this provision for Buyer to make application at any time from and after the Effective Date for any State or local licenses required by Buyer to operate the Property or the Business after the Closing Date.

30. COUNTERPART; FACSIMILE; ELECTRONIC SIGNATURE. This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement. This Agreement may be executed by facsimile or electronic mail scan signature which shall be deemed binding upon the Parties with an original to follow via mail or overnight delivery service. The Parties have executed this Agreement the day and year first above written.

31. EXCLUSIVITY. Seller agrees that during the Inspection Period, Seller shall not enter into any agreement with any other third party to lease, sell, mortgage, hypothecate or otherwise transfer any interest in the Property. Seller acknowledges and agrees that Buyer will commit significant time and energy into the purchase of the Property, which is unique, any violation of this Section 31 shall cause irreparable injury to the Buyer entitling the Buyer to injunctive relief.

SELLER:

By: _____

Its: _____

BUYER: Green Bronco II, LLC

By: Omar Fakhouri

Its: Member

11/18/2019

EXHIBIT A

Legal Description of the Real Estate
To be supplemented by the title commitment legal description

Real Estate situated in the Township of Northfield, County of Washtenaw, State of Michigan,
described as follows:

NO 5-67C COM AT W 1/4 COR OF SEC 5, TH N 1-45 E 107.58 FT, TH N 51-45 E 88.74 FT TO POBTH
S 40-28-30 E 215.16 FT TOE/W 1/4 LN, TH S 89-40 E 129.48 FT, TH N 56-15 E 35.57 FT, TH N 38-15 W
298.51 FT, TH S 51-45 W 145.00 FT TO POB PT NE 1/4 SEC 5 T1S R6E

Commonly known as: 75 Barker Rd. Whitmore Lake , MI, 48189

Parcel Number: B -02-05-254-002

EXHIBIT B

List of Tenants

NONE- ONLY SELLER OWNER OPERATOR

Memo

From: Marlene Chockley
Subject: Renewal of Contract with Assessment Administrative Services, LLC
Date: November 19, 2019

Action Requested

Approval of the contract with Assessment Administrative Services, LLC from December 15, 2019 to December 15, 2022.

Background

The township has contracted for the services of Assessment Administrative Services, LLC for the past several years. Mr. Tom Monchak has been our assessor 2 days a week in the main role since the beginning and in 2018 the contract was increased to add an assistant assessor, Ben Griffin, for 3 additional days. This allowed the township to release Mary Bird, who was providing assistance part-time to the assessor, into the coordinator position for planning, zoning, and building full time.

This reorganization had the result of more consistent review of township assessments and better service to our property owners.

The contract is now up for renewal for an additional 3 years. It is \$98,460 for the year beginning December 15, 2019 with a 2% increase per year thereafter. This represents an increase of \$1920 from the current year. Township Attorney Paul Burns has reviewed and approved the contract language.

Attachments

2019-2022 Contract
Quarterly Report – Third Quarter 2019

**NORTHFIELD TOWNSHIP
ASSESSING DEPARTMENT
QUARTERLY REPORT TO BOARD OF TRUSTEES
MEETING DATE: October 8, 2019**

REPORT PERIOD: 2019 THIRD QUARTER
REPORT DATE: September 30, 2019

– **July Board of Review:** Was held on July 16, 2019. Requests for corrections were reviewed, summarized and prepared for presentation to the Board of Review. Issues the board may act on are limited to clerical errors, mutual mistakes of fact, poverty applications and specific qualified errors. The Board of Review signed all necessary forms affirming their decisions. There were 22 parcels appealed, 2 poverty, 5 disabled veteran exemptions and the remaining 15 for other qualified errors.

- The decisions and corrections of the board have been entered in the assessing software, recorded on the Assessment roll, reports assembled, mailed to taxing authorities and notices mailed to property owners 7/23/19.

– **2019 form L-4029 Tax (Millage) rate request report:**

- Form L-4029 for Northfield Township was calculated, completed, and provided to Twp. Supervisor and Twp. Clerk. After approval of the millage rates by the Board of Trustees the signed L-4029 was submitted to Washtenaw County as well as copies to the township clerk and treasurer.
- Form L-4029 for The Northfield Township Area Library was also calculated, completed, and provided to the Library Director to have signed and returned to the Assessor for filing with Washtenaw County as well as copies to the township clerk and treasurer.

– **A.M.A.R.:** (Audit of Minimum Assessment Requirements)

- A.M.A.R. notification letter received 03/18/2019
- The audit was held on June 10, 2019 at Washtenaw County Equalization Department, representing Northfield Township were Assessor Thomas D. Monchak and Township Supervisor Marlene Chockley.
- A.M.A.R. results received 07/22/2019 indicated one deficiency. The deficiency was failure to properly process Small Business Taxpayer Exemptions received.
- Corrective action plan was mailed to the State Tax Commission 08/15/2019.
- On 09/10/2019 received letter from The State Tax Commission accepting the Corrective action plan also indicating “No follow up review will be necessary”.
- Please see three attachments A) A.M.A.R. results, B) Corrective action plan C) S.T.C. Letter accepting the Corrective action plan.

– **Appraisal Ratio Studies for 2020 assessments:** Work on these studies has begun in cooperation with the Washtenaw County Equalization Department. The studies determine the starting level of assessment for the respective classification of properties for the 2020 assessment cycle. See below for preliminary Beginning Ratios.

– **Residential Sales Ratio Study for 2020 assessments:** Work will be finalized in late November 2019 in cooperation with the Washtenaw County Equalization Department.

– **The 2020 preliminary Beginning Ratios** for each class are:

Agricultural - To Be Determined.

Commercial - To Be Determined.

Industrial - To Be Determined.

Residential 46.63 Ratio (indicating an overall assessment increase of 7.22%).

Developmental - To Be Determined.

The above beginning ratios will be used for preparation of the 2020 assessment roll.

– **2019 Re-Inventory program data entry update:** This is a continuing project to annually update the assessment records.

– Field visits began in May and concluded in August

– For 2019 more than 600 parcels were field visited.

Photos continue to be attached to parcel records; sketch updates also continuing. Data entry of changes identified during the re-inventory program will restart in later this fall.

– **New Construction Permit Review:** The first round of field visits was completed in late July. A “final” round of field visits is scheduled to start in mid October.

Michigan Tax Tribunals:

Small Claims: Two cases pending. Cases of note are:

– Docket #19-002917 hearing is scheduled for December 19, 2019 – Valuation disclosures are due November 26, 2019. - Settlement communications have not started.

– Docket #19-002924 hearing is scheduled for December 19, 2019 – Valuation disclosures are due November 26, 2019. - Settlement communications have not started.

Entire Tribunal: Currently, we have One case active:

– Docket #19-001337 sent to Township Attorney 07/31/2019 – Attorney filed answer on 08/01/2019. - Settlement communications have not started.

– Recently completed “Links at Whitmore Lake Inc” – Docket(s) #17-002627 and #17-002645 (8 parcels). Order adopting stipulation entered on 07/19/2019 and received on 07/24/2019 and processed on 08/06/2019.

– **Mobile Home Park:** Continuing Review.

– This is a continuing project to annually update the assessment records and will resume in late 2019.

– Recently the S.T.C. has re-affirmed that improvements on mobile home sites must be inventoried and accounted for on Assessment Rolls.

– This review pertains to items not specifically exempted by the \$3.00 per month specific tax. The items are typically garages, carports, additions, sheds, decks, porches. These are items NOT included as part of the ORIGINALLY constructed mobile home unit.

Respectfully submitted,
Thomas D. Monchak, Assessor

Assessment Administration Services, L.L.C.

October 3, 2019

Mr. Steve Aynes, Township Manager
Northfield Township
8350 Main Street
Whitmore Lake, MI 48189

RE: Proposal for Assessor Services-3 Year Contract

Dear Mr. Aynes:

It has been a pleasure working with you, the Northfield Township staff and Township Board over the last several years. The purpose of this transmittal is to provide you with a proposal for the end of our current contract December 15, 2019 through December 15, 2022.

The new proposal is for the contractual sum of \$98,460 annually or \$8,205 per month for the first year and a 2 percent increase each year after for the duration of the contract.

Assessment Administration Services, L.L.C. agrees to:

Scope of Work:

- A certified (MAAO) assessor available two days per week on sight or through remote access except for holidays, vacations or sick time. This will include regular office hours of the Assessor.
- An additional staff support person available up to 3 days a week to assist the assessor except for holidays, vacation or sick time.
- Perform all field work and related duties as needed (permits, field checks etc.)
- Process all splits and combinations in the Township.
- Supervise the preparation of the assessment rolls and sign any and all necessary reports associated with the assessment roll.
- Meet with the March Board of Review and be available during March Board of Review hearings.
- Supervise and review July and December Board of Review changes.
- Counsel regarding all Michigan Tax Tribunal cases including the preparation of valuation disclosures and testify if necessary.
- Review all sales studies.
- Create land value and economic condition factor determinations including maps.
- Review and sign all necessary reports.
- Any as needed consultations.
- Attend any necessary work sessions and Township Board meetings.
- Supervise and prepare for Michigan State Tax Commission's AMAR (Audit of Minimum Assessing Requirements).

Assumptions and Limiting Conditions:

- Assessment Administration Services agrees to comply with the State Tax Commission rules, regulations, requirements and guidelines and any other duties necessary to supervise and prepare the assessment roll as required by the State Tax Commission.
- Either Assessment Administration Services or Northfield Township reserves the right to terminate this contract with 30 days written notice.
- Assessment Administration Services carries comprehensive general liability insurance, workmen's compensation insurance and professional liability and errors and omissions insurance.

If you have any questions regarding this proposal, please do not hesitate to contact me. Tom, Ben and I really appreciate this opportunity and have enjoyed our working relationship. We look forward to helping Northfield Township achieve the level of quality and workmanship that it deserves and that we know we can provide.

Sincerely,



Lisa Griffin, MAAO, PPE
President
Assessment Administration Services, L.L.C.

INDEPENDENT CONTRACTOR AGREEMENT

ASSESSING SERVICES

This Independent Contractor Agreement (“Agreement”) is made between the Township of Northfield, a Michigan municipal corporation (“Township”) and Assessment Administration Services, LLC (“Contractor”), as follows:

1. Effective Date: This Agreement shall be effective as of December 15, 2019.
2. Term: This Agreement shall remain in effect for a term of 3 years from December 15, 2019 through December 15, 2022, then adherently revert to month to month basis (the “Term”), unless earlier terminated as provided herein.
3. Retention of Contractor: Township hereby retains Contractor to perform independent contracting services to provide those assessment functions which may be performed by an independent contractor consistent with Michigan law (the “Services”). Contractor accepts such assignment, subject to the terms and conditions set forth in this Agreement. Contractor shall take general assignment from the Township Manager, or such other person as may be designated by Township. The Services shall include:
 - a. Preparation, maintenance, and supervision of the Assessment Roll for Real and Personal Property (including any special acts), as well as special assessments, as outlined by the State Tax Commission rules and regulations;
 - b. Preparation for and representation of the Township at Michigan Tax Tribunal hearings;
 - c. Conduct of the March, July, and December Boards of Review;
 - d. Preparation of reports and forms as required by the County and State;
 - e. The presence of an on-site certified assessor in the Township’s assessing office or completing field work as needed, and in any event not less than 2 time blocks per week except for holidays, vacations or sick time;
 - f. An additional on-site support staff available up to 3 time blocks per week except for holidays, vacation or sick time to assist the assessor with assessment administration duties of a clerical nature, including but not limited to processing of Property Transfer Affidavits (PTAs), Deeds, Principal Residence Exemptions (PREs), etc.;
 - g. Creation of land value and ecf analysis and maps;
 - h. Maintain Compliance with A.M.A.R. formerly 14 Point Review;
 - i. Completion of field visits annually to comply with STC recommendation; including permits for building permits, new construction and demolition;

- j. Giving of a seminar for the public in the Township on the assessment process and how to appeal an assessment;
 - k. Process all split and combinations in the Township within the specified contractual time frame;
- 4. Independent Contractor: Contractor's relationship with Township under the Agreement is that of independent contractor and not that of employee, partner, or joint venture. Contractor shall be responsible for payment of any and all expenses associated with Contractor's activities under this Agreement. Contractor shall be responsible for payment of its own federal, state, and local taxes. Contractor shall not participate in Township's fringe benefit plan or programs. Contractor shall not enter into any agreement or commitment on behalf of Township nor hold itself out as having such authority.
- 5. Contractor's Compensation: In consideration of Contractor's activities under Paragraph 3 of this Agreement, Township shall pay Contractor as follows:
 - a. \$8,205 per month for the first year of the contract (December 2019 - December 2020) due and payable on or before the last date of each month while this Agreement is in effect.
 - b. The monthly rate will increase by 2% each year after the first year for the duration of the Contract.
 - c. Notwithstanding any other provision of this Agreement, if this Agreement is terminated as provided herein prior to the end of the Term, Contractor shall only be entitled to pro-rated payment through the effective date of termination and shall have no right to payment thereafter.
- 6. Proprietary Information: Contractor acknowledges that through its activities under this Agreement, it may come into possession of confidential or proprietary information belonging to Township. Contractor agrees that it will not directly or indirectly disclose to any other person or entity, or make any use of, any of Township's confidential or proprietary information, whether or not such information was developed or obtained by Contractor, except as authorized by Township in connection with Contractor's activities under this Agreement and in furtherance of Township's best interests. Upon termination of this Agreement, Contractor shall return to Township all such confidential and proprietary information in its possession and control and shall not make or retain any copies or summaries. The obligations of this Paragraph 6 shall survive termination of this Agreement.
- 7. No Violation of Other Agreements: Contractor warrants and represents that this Agreement does not violate the terms and conditions of any other agreement to which Contractor is a party or interfere with any business expectancy. Contractor warrants that it will not utilize any invention, trade secret, or other intellectual property in which it does not have a proprietary interest or legal right of use. Contractor shall indemnify and defend Township against any claim, lawsuit, cause of action, demand, cost, or other expense (including reasonable attorney fees and court costs) incurred by Township as a result of any inaccuracy in or breach of the warranties and representations of this Paragraph 7.

8. Termination: This Agreement may be terminated as follows:
- a. Either party may elect to terminate this Agreement for any reason upon thirty (30) days written notice to the other party.
 - b. Township may immediately terminate this Agreement, in its sole discretion in the event of the death or incapacity of one of Contractor's members; Contractor's gross negligence or gross dereliction of duties; the conviction of a crime by one of Contractor's principals; or other circumstances that defeat the purpose of this Agreement.
9. Indemnity and Insurance: The Contractor shall be liable to the Township, and hereby agrees to indemnify and hold the Township harmless but only to the extent of its insurance coverage set forth below, against all claims covered by said insurance coverage arising out of the performance of the services rendered hereunder caused by any negligent conduct, intentional conduct, or act of the Contractor or any of its employees in the performance of this Contract that are covered by the policies listed in subparagraphs "a" through "c" below.

The Contractor will carry the following insurance coverage at all times during this Agreement:

- a. Comprehensive general liability insurance covering the Contractor and the Township in the project with not less than the following limits of liability: bodily injury or death, \$1,000,000 each person and subject to the same limit for each person; \$1,000,000 for two or more persons in any occurrence; property damage, \$1,000,000 each occurrence; \$2,000,000 annual aggregate.
- b. Worker's Disability Compensation Insurance, securing compensation for the benefit of the employees of Contractor, as required by Worker's Disability Compensation Act of State of Michigan.
- c. Contractor shall also carry professional liability and errors and omissions insurance with not less than \$2,000,000 limit of liability for each claim and in the aggregate including claim expenses. However, Township understands that it can not be listed as an additional insured under this type of policy. Should the Township or its officers, directors, employees, and elected officials ever be held financially liable for any error or omission of the Contractor and seek indemnification from Contractor as a result thereof, under no circumstances shall the Contractor's cumulative liability to the Township or its officers, directors, employees, and elected officials exceed the coverage of the errors and omissions policy referenced herein.

All required insurance shall be maintained with responsible insurance carriers qualified to do business in the State of Michigan. As soon as practicable upon the execution of this Agreement and upon commencing any performance hereunder, the Contractor shall deposit with the Township the previously mentioned policies of insurance or certificates therefore. During the duration of this Agreement, a copy of said insurance or certificate shall be given to the Township Manager at the beginning of each year.

10. No Oral Modifications: This Agreement may not be modified or amended by any oral agreement and may only be modified or amended by a writing signed by both parties.
11. Assignment: Contractor may not assign this Agreement without the written consent of Township.
12. Entire Agreement: This Agreement contains the entire understanding of the parties related to the subject matter hereof and supersedes all previous verbal and written agreements, representations, or warranties.
13. Counterparts: This Agreement may be executed in separate counterparts. A copy of this Agreement is as effective as an original.
14. Miscellaneous Representations: Each party has consulted or has had the opportunity to consult with its own attorney prior to the execution of the Agreement. Each party has read this Agreement in its entirety before signing and understands its terms. Each party signs as its free act. There shall be no presumption or construction of this Agreement in favor of any party based on draftsmanship.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date written above.

TOWNSHIP OF NORTHFIELD

ASSESSMENT ADMINISTRATIVE
SERVICES, LLC

By: Steven Aynes
Its: Township Manager

By: Lisa Griffin
Its: Member

MEMO

Agenda Item 7

To: Northfield Township Board
From: Lenore Zelenock, Treasurer and Emily Hofsess, Deputy Treasurer
Date: 11/18/2019
Re: Point & Pay; (Credit Card Processing)

We are requesting authorization to sign the Point & Pay E-Payment Services Agreement (Credit Card Processing). The contract has been reviewed by our township attorney, Paul Burns.

You may recall that Point & Pay was approved by the Board on April 11, 2017 (the minutes are attached), however, Mr. Burns recommended that we bring the contract back to the Township Board before signing. We did not move forward with Point & Pay as there were issues with the contract that have since been resolved. Also, we are revisiting using Point & Pay because our current credit card processing company, Official Payments, will no longer be supported by our software company (BS&A), time to be determined.

Below are the fees comparing Official Payments with Point & Pay. As noted before, the transaction fees are slightly higher for the residents for taxes and larger sewer bills. However, for the majority of credit card transactions, which is a \$90.20 sewer bill, the cost to the resident is slightly less (\$2.71 vs. a flat fee of \$2.75):

	<u>Official Payments</u>	<u>Point & Pay</u>
Taxes	2.55%	3%
Sewer	\$2.75 fee	3% Note: \$90.20 x 3% = \$2.71
Building Permits	NA	3%
E-Check	NA	\$3.00 fee for \$10,000 and under; \$10 fee over \$10,000

In addition to Point & Pay being known for their customer service, other advantages of Point & Pay include: we will be able to accept credit cards for the building department which many contractors have requested, more payment options for our residents, and a more efficient processing and reporting for the office. Accepting credit cards is a convenience for our residents and there are some Townships that do not accept credit cards. As a reminder, Northfield Township does not receive any portion of these convenience fees.

The April 11, 2017 motion, included to insure that Point & Point works with our Township's bank and it is PCI compliant. Both of these items have been confirmed.

POINT & PAY, LLC
E-PAYMENT SERVICES AGREEMENT

Parties:

Point & Pay, LLC ("PNP")
A subsidiary of NAB, doing business in Delaware

[Northfield Township, MI] ("Client")

Terms

SECTION 1 E-PAYMENT SERVICES

1.1 Access to Payment Modules

1.1.1 Pursuant to this E-Payment Services Agreement (this "Agreement"), PNP grants Client a limited, non-exclusive, non-transferable and terminable license for the duration of the Term to use the electronic payment services (the "Services") and payment modules (each, a "Module") chosen in the attached product application ("Product Application") to enable Client's customers ("Customers") to make payments to Client using a Payment Device. "Payment Device" means the payment type(s) chosen by Client on the Product Application. A description of all Modules, Services, training and support offered by PNP is attached as Exhibit A (the "Services Description").

1.1.2 At the time of Client's execution of this Agreement, Client shall also return the completed Client Application to PNP. Subject to the terms and conditions of this Agreement, the Services may be also be used by the affiliated offices, bureaus, agencies or departments of Client ("Affiliates"). Each Affiliate shall complete a Client Application prior to commencement of the Services.

1.2 Client Representatives

PNP will provide Client's authorized representatives with a logon and password to access the Counter Module. Client shall be solely responsible for maintaining the confidentiality and security of the logons and passwords provided by PNP. Client will cause each of its representatives to change the initial password, keep the passwords confidential, refrain from sharing passwords and/or logon information with any unauthorized user, and use no other password to access the Counter Module. PNP shall be entitled to rely on any communications it receives under Client's passwords, logon information, and/or account number as having been sent by Client, without conducting any further checks as to the identity of the user of such information. PNP will not be responsible for the operability or functionality of any of Client's computer equipment, system, browser or Internet connectivity.

1.3 Payment Device Transactions

All Payment Device transactions using the Services will be processed through a secured link. The parties to each Payment Device transaction will be the Customer cardholder, the Client and PNP.

1.4 Service Promotion

Client will use reasonable efforts to promote the Services and build awareness of the Services with its customers through various media including, but not limited to:

- Print: Bill inserts, counter displays, and announcements in Client's newsletter
- Online: Home page announcements with an easily accessible, one-click link to payments page.
- Phone/IVR: Pre-recorded message with the ability to transfer to payments IVR (e.g., "Press 2 to make a payment") or provide the IVR phone number to call.
- Joint Press Releases: The parties shall mutually agree upon press releases announcing the availability of electronic payment services and the partnering of Client and PNP.

1.5 Trademark License

PNP grants Client a limited, non-exclusive, non-transferable license to use the PNP trademarks, service marks and logos provided by PNP to Client (the "Trademarks") solely in connection with Client's promotion of the Services to Customers. Client shall not alter the Trademarks nor use the Trademarks in any way which is disparaging, dilutive or otherwise adversely affects the reputation of PNP.

1.6 Client Logo License

Client grants PNP a limited, non-exclusive, non-transferable license to use its applicable logos, copyrighted works and trademarks ("Client Marks") solely in connection with the Services provided to Client. Client shall provide the Client Marks to PNP for use with the Services. Client represents that it has all intellectual property rights required for Client's and PNP's use of Client Marks, and shall indemnify PNP against any third party claims that the Client Marks infringe the intellectual property rights of a third party.

SECTION 2 COMPENSATION

2.1 Services Transaction Fee

PNP will charge the transaction fee to use the Services set forth on the Product Application. If Services fees are charged directly to Customers by PNP, Customers will receive a notice each time they use the Services stating that the Services are provided by PNP and that a convenience fee is charged for use of the Services. PNP may change the amount of such fee by notifying Client of such new amount at least thirty (30) days prior to such change.

2.2 Activation Fee

If applicable, Client shall pay the one-time Activation Fee set forth on the Product Application. If the Activation Fee or any portion of the Activation Fee is waived by PNP and the Client does not implement the Service under this Agreement within six months after the Effective Date, other than due to a material breach by PNP, the waived portion of the Activation Fee shall become immediately due and payable.

2.3 Charge-backs and Returns

Unless otherwise specified in the Product Application, PNP will set off (a) the amount of any charge-backs, refusals to pay and returns from any amounts otherwise owing by PNP to Client and (b) a transaction handling fee for charge-backs and non-sufficient funds (NSF) as specified in the Product Application.

2.4 ACH Debit of Fees

Client hereby authorizes PNP, and any subsidiary or successor thereof, solely with respect to amounts due pursuant to this Agreement and any subsequent agreements between Client and PNP, including but not limited to service fees, transaction fees, charge-backs and returns as set forth in Sections 2.1 and 2.3 of this Agreement, to initiate Automated Clearing House ("ACH") Authorizations to credit and debit Client's bank account as set forth on the Banking Authorization Form attached hereto as Exhibit B or otherwise provided by Client. Client acknowledges that it will be subject to a \$25 reject fee if items are returned for insufficient funds.

SECTION 3 INTELLECTUAL PROPERTY; CONFIDENTIALITY

3.1 No Transfer or License

Except for the rights expressly granted to Client in this Agreement, no PNP Intellectual Property Right is transferred or licensed to Client pursuant to this Agreement, by implication or otherwise. PNP reserves and retains all rights, title and interests in and to the PNP Intellectual Property Rights, and all copies, revisions, modifications, updates, and upgrades thereof. Client agrees not to remove, alter or destroy any copyright, patent notice, trademark or other proprietary markings or confidential legends placed on or within any portion of the PNP Intellectual Property Rights. For purposes of this Agreement, "Intellectual Property Rights" means all the intellectual property, industrial

and other proprietary rights, protected or protectable, under the laws of the United States, any foreign country, or any political subdivision thereof, including (a) all trade names, trade dress, trademarks, service marks, logos, brand names and other identifiers, (b) copyrights, moral rights (including rights of attribution and rights of integrity), (c) all trade secrets, inventions, discoveries, devices, processes, designs, techniques, ideas, know-how and other confidential or proprietary information, whether or not reduced to practice, (d) all domestic and foreign patents and the registrations, applications, renewals, extensions and continuations (in whole or in part) thereof, and (e) all goodwill associated with any of the foregoing and (f) all rights and causes of action for infringement, misappropriation, misuse, dilution or unfair trade practices associated with (a) through (d) above.

3.2 Ownership and Use of PNP Materials

Any software developed by or on behalf of PNP for use in connection with the Services remains the exclusive property of PNP. Client will not sell, transfer, barter, trade, license, modify or copy any such software. Web pages accessible through use of the Services are the copyrighted intellectual property of PNP and may not be copied in whole or part by anyone. Any training materials (including, but not limited to, webinars and manuals) provided to Client by PNP shall remain the exclusive property of PNP. PNP grants Client and Client's personnel a limited, non-exclusive, non-transferrable license to use and to make copies of the training materials with its personnel solely in connection with the Services. Training materials may not be modified by Client or its personnel or disclosed to any third party, including Client's end-user customers. Client shall ensure all personnel shall complete and review all training materials prior to using the Services.

3.3 Reverse Engineering

Client will not reverse engineer, reverse assemble, decompile or disassemble any of PNP's intellectual property, nor will Client attempt to do so or enable any third party to do so or otherwise attempt to discover any source code, modify the Service in any manner or form, or use unauthorized modified versions of the Service, including (without limitation) for the purpose of building a similar or competitive product or service or for the purpose of obtaining unauthorized access to the Service. Client is expressly prohibited from sublicensing use of the Service to any third parties. If Client becomes aware that any person has engaged or is likely to have engaged in any of the activities described in this Section 3.3, Client will promptly notify PNP.

3.4 Confidential Information

3.4.1 Any Confidential Information provided by PNP to Client pursuant to this Agreement will remain the exclusive property of PNP. Client will disclose such Confidential Information only to those of its representatives and employees who need to know such Confidential Information for purposes of performing this Agreement, who are informed of the confidential nature of the Confidential Information and who agree, for the benefit of PNP, to be bound by the terms of confidentiality in this Agreement. Client will, and will cause each of its representatives and employees, to keep confidential and not to disclose in any manner whatsoever any Confidential Information provided by PNP pursuant to this Agreement, and not to use such Confidential Information, in whole or in part, directly or indirectly, for any purpose at any time other than for the purposes contemplated by this Agreement. Notwithstanding the foregoing, if Client is a city, county, township or similar entity, or government agency or department thereof, Client may disclose Confidential Information as necessary to comply with applicable public records laws.

3.4.2 For purposes of this Agreement, "Confidential Information" means all nonpublic or proprietary information of PNP, including proprietary, technical, development, marketing, sales, operating, performances, cost, know-how, business and process information, computer programs and programming techniques, security features (including, without limitation, multi-level access and log-in features, audit trail setup, interfaces between the Counter Module and the Internet or IVR Modules), all record bearing media containing or disclosing such information and techniques, and anything marked confidential, that is disclosed by PNP to Client pursuant to this Agreement. Confidential Information also includes the terms and conditions of this Agreement.

3.5 Exclusions

The term Confidential Information will not apply to information that: (a) is or becomes generally available to the public other than as a result of a disclosure by Client in breach of this Agreement; (b) was within Client's possession prior to its disclosure by or on behalf of PNP, provided that the discloser of such information was not known by Client to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, PNP with respect to such information; (c) becomes available to Client on a non-confidential basis from a source other than PNP, provided that such source is not known by Client to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, PNP with respect to such information; or (d) is developed independently by Client, as demonstrated by the written records of Client, without use of such information. The confidentiality obligations of Client pursuant to this Agreement will not apply to any Confidential Information of PNP that Client is legally compelled to disclose. In the event Client becomes legally compelled to disclose any Confidential Information provided pursuant to this Agreement, Client will provide PNP with prompt written notice so that PNP may seek a protective order or other

appropriate remedy or waive compliance with the confidentiality provisions of this Agreement.

3.6 Failure to Comply

If Client fails to comply with any of its obligations pursuant to this Section 3, PNP will have the right to immediately terminate this Agreement by providing written notice of such termination to Client.

3.7 Survival

The rights and obligations of the parties provided for in this Section 3 will survive any expiration or termination of this Agreement or its term.

SECTION 4 WARRANTIES; DISCLAIMER

4.1 Warranties

4.1.1 Each party represents and warrants that it has the full legal right, authority and power to enter into this Agreement and perform its obligations hereunder.

4.1.2 PNP represents and warrants that the Services will be provided in a professional, workman-like manner consistent with industry standards.

4.2 Disclaimers

4.2.1 PNP does not represent that Client's or its Customers use of the Services will be uninterrupted or error-free, or that the system that makes the Services available will be free of viruses or other harmful components resulting from the Internet or any third party providers or products outside the control of PNP.

4.2.2 EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THIS SECTION 4, PNP DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. THE SERVICE IS PROVIDED TO CLIENT ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND IS FOR COMMERCIAL USE ONLY.

SECTION 5 LIMITATIONS OF LIABILITY AND OBLIGATION

5.1 Damages and Liability Limit

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, RELIANCE, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY RELEASES THE OTHER PARTY AND ALL OF THE OTHER PARTY'S AFFILIATES, EMPLOYEES, AND AGENTS FROM ANY SUCH DAMAGES. IN NO EVENT WILL PNP HAVE OR INCUR ANY LIABILITY TO CLIENT OR ANY THIRD PARTY IN EXCESS OF THE AGGREGATE COMPENSATION RECEIVED BY PNP FOR THE SIX-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO A CLAIM FOR SUCH LIABILITY. THE FOREGOING EXCLUSIONS AND LIMITATIONS WILL APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EVEN IF ANY REMEDY FAILS ITS ESSENTIAL PURPOSE.

5.2 Refusals of Payment

PNP will not be liable for charge-backs or other refusals of payment initiated by any Customer. All such charge-backs and other refusals of payment will be refunded by PNP to the Customer and Client will mark and otherwise treat the related Customer account as "unpaid."

5.3 Errors and Omissions

PNP will not be liable for any errors or omissions in data provided by Client or Customers. Client will be responsible for the accuracy of data provided to PNP for use in providing the Services.

5.4 Bank Actions

PNP will not be liable for any errors, omissions or delays attributable to the acts or omissions of any bank or other third party involved in the processing of any Payment Device payment.

SECTION 6 CARDHOLDER DATA SECURITY

To the extent applicable, each of the parties shall be required to comply at all times with the Payment Card Industry Data Security Standard Program ("PCI-DSS") in effect and as may be amended from time to time during the term of the Agreement. The current PCI-DSS specifications are available on the PCI Security Standards Council website at <https://www.pcisecuritystandards.org>.

SECTION 7 EXCLUSIVITY

Client agrees that PNP will be the exclusive provider of fee-based electronic payment services and that Client will not procure similar such services from any other party.

SECTION 8 TERM AND TERMINATION

8.1 Term

The initial term of this Agreement will commence on the Effective Date and will end on the third (3rd) anniversary of the Effective Date (the "Initial Term"). This Agreement will automatically renew for successive one (1)-year terms (each, a "Renewal Term," and the Initial Term and any Renewal Term may be referred to as a "Term"). The term of this Agreement will terminate at the end of the Initial Term or any subsequent Renewal Term if either party provides written notice of such termination to the other party at least sixty (60) days prior to the expiration of the applicable Term.

8.2 In the Event of Breach; Effect on Affiliates

8.2.1 Subject to the opportunity to cure set forth below, either party may terminate this Agreement upon sixty (60) days written notice to the other party in the event of a material, uncured breach of any provision of this Agreement by the other party. Such notice by the complaining party shall expressly state all of the reasons for the claimed breach in sufficient detail so as to provide the alleged breaching party a meaningful opportunity to cure such alleged breach ("Notice").

8.2.2 Following receipt of Notice, the alleged breaching party shall have sixty (60) days to cure such alleged breach. Upon termination or expiration of this Agreement, Client shall have no rights to continue use of the Service or the Modules. Expiration or termination of the Agreement by Client or PNP shall also terminate the Affiliates' rights under the Agreement unless otherwise agreed by the parties in writing. PNP may terminate the Agreement solely with respect to an individual Affiliate without affecting the rights and obligations of Client and other Affiliates under the Agreement.

8.3 Modification to or Discontinuation of the Service

PNP reserves the right at any time and from time to time to modify, temporarily or permanently, the Service (or any part thereof). In addition, PNP will have the right to discontinue accepting any Payment Device by providing not less than ten (10) days' written notice to Client. In the event that PNP modifies the Service in a manner which removes or disables a feature or functionality on which Client materially relies, PNP, at Client's request, shall use commercially reasonable efforts to substantially restore such functionality to Client. In the event that PNP is unable to substantially restore such functionality within sixty (60) days, Client shall have the right to terminate the Agreement. Client acknowledges that PNP reserves the right to discontinue offering the Service and any support at the conclusion of Client's then-current Term. Client agrees that PNP shall not be liable to Client nor to any third party for any modification of the Service as described in this Section.

SECTION 9 PAYMENT DEVICE TRANSACTION DEPOSITS

The exact amount of each approved Payment Device transaction will be electronically deposited into the Client bank account identified on the Client Application. PNP shall initiate such deposits as specified on the attached Client Application. PNP will provide Client's authorized employees with access to PNP's online transaction reports for reconciliation purposes.

SECTION 10 FORCE MAJEURE

PNP will not be responsible for its failure to perform under this Agreement due to causes beyond its reasonable control, including acts of God, wars, riots, revolutions, acts of civil or military authorities, terrorism, fires, floods, sabotage, nuclear incidents, earthquakes, storms, or epidemics. If the provision of Services under this Agreement is delayed by such an event or condition, PNP will promptly notify Client thereof. PNP will use commercially reasonable efforts to overcome any such cause for delay as soon as is reasonably practicable.

SECTION 11 GOVERNING LAW

This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of (Michigan) without reference to its conflicts of law principles.

SECTION 12 NOTICES

All notices or other communications required or permitted by this Agreement must be in writing and will be deemed to have been duly given when delivered personally to the party for whom such notice was intended, or upon actual receipt if sent by facsimile or delivered by a nationally recognized overnight delivery service, or at the expiration of the third day after the date of deposit if deposited in the United States mail, postage pre-paid, certified or registered, return receipt requested, to the respective parties at:

If to Client: See Merchant Application
If to PNP: Point & Pay, LLC
110 State St. E, Suite D
Oldsmar, FL 34677

MISCELLANEOUS

The headings of sections and subsections of this Agreement are for convenience of reference only and will not be construed to alter the meaning of any provision of this Agreement. PNP is an independent contractor and nothing in this Agreement will be deemed to create any agency, employee-employer relationship, partnership, franchise or joint venture between the parties. Except as otherwise specifically provided in this Agreement, neither party will have, or represent that it has the right, power or authority to bind, contract or commit the other party or to create any obligation on behalf of the other party. Each of the parties will have any and all rights and remedies available to them under all applicable laws. The remedies provided for in this Agreement will be deemed to be non-exclusive and in addition to any other available remedy at law or in equity. All rights and remedies are cumulative and may be exercised singularly or concurrently. Client may not assign or transfer any of its rights or delegate any of its obligations under this Agreement to any third party, by operation of law or otherwise, without the prior written consent of PNP. Any attempted assignment or transfer in violation of the foregoing will be void. This Agreement will be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties. Client shall comply with all applicable laws, rules, treaties, and regulations in its performance of this Agreement. If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable, the remaining provisions of this Agreement will not be affected and the illegal, invalid, or unenforceable provision will be deemed modified such that it the intention of the parties to the fullest extent possible. No amendment or modification of this Agreement will be effective unless it is in writing and executed by both of the parties. Nothing contained in this Agreement establishes, creates, or is intended to or will be construed to establish or create, any right in or obligation to any third party. This Agreement, the Exhibit(s) and the Client Application set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

The parties have duly executed this Agreement as of the date of the last signature below (the "Effective Date").

Point & Pay, LLC

[Northfield Township, MI]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A Services Description

The following is a description of all Services and Modules offered by PNP. PNP shall provide the Services to Client and its end-user customers via the specific Modules and Payment Devices chosen by Client in the Client Application. Applicable fees, if any, for Client's elections are set forth on the Client Application. The Services include support and training outlined below at no additional charge to Client.

Service Modules

- **Counter Module.** The Counter Module allows customers to make payments to Client in a face-to-face environment or over the phone using a Payment Device. PNP will issue unique confirmation numbers to customers who have completed a payment transaction using the Counter Module. The Counter Module also enables Client's staff to access reports via the web. The Counter Module is required to access the PNP Services. The Counter Module may be used in conjunction with or independently of point-of-sale (POS) terminals.
- **Web Module.** The Web Module allows customers to make payments to Clients online using a Payment Device via a secure website hosted by PNP. Customers who elect to make payments via the Internet can follow a link from the Client website to the Client-branded, PNP-hosted web pages to submit a payment. PNP will issue unique confirmation numbers to customers who have completed a payment transaction using the Web Module. Client may elect bill presentment and account validation functionality for the one-time set-up fee set forth on the Client Application under "Data File Integration."
- **Interactive Voice Response (IVR) Module.** The IVR Module allows Customers to make payments to Clients over the phone using a Payment Device. The Customer calls a toll-free phone number provided and managed by PNP to access the Client branded IVR. The IVR system recognizes Customer instructions through making a payment; the phone keypad is used to enter Payment Device numbers. The IVR system is configured and tested by PNP. PNP will issue unique confirmation numbers to customers who have completed a payment transaction using the IVR Module. Election of the IVR Module includes a Client-branded IVR environment and, if applicable, Client shall pay the one-time IVR set-up fee for the IVR Module set forth on the Client Application. In addition, Client may elect to have bill presentment and account validation functionality enabled through the IVR for the one-time set-up fee on the Client Application under "Data File Integration."

Customer Payment Devices

Each of the Modules can provide the Customer with the ability to pay by Credit Card, Debit Card and/or Electronic Check.

Training

PNP shall provide instruction manuals and up to four (4) hours of webinar training to Client and Client personnel in connection with the Modules chosen by Client.

Support

The following support shall be provided to Client and Client's customers at no additional charge during the term of the Services:

- **First Level Support.** PNP shall provide first-level support to Customers via PNP's call center. Customer service representatives shall be available 8 a.m. EST to 10 p.m. EST M-F, to handle customer inquiries.
- **Second Level Support.** PNP shall provide first-level support to Client via telephone. Second level support shall be available Monday through Friday during normal business hours.

Support availability shall be exclusive of downtime due to scheduled maintenance or events out of PNP's control. Support for the Products may be modified, suspended or terminated in PNP's sole discretion upon prior written notice.

**Northfield Township Board Meeting
Minutes of Regular Meeting
Public Safety Building; 8350 Main Street
April 11, 2017**

Market currently has one. The Board and members of the public discussed whether there are any current rules requiring a minimum distance between licenses.

- ▶ **Motion:** Otto moved, Chick supported, that the discussion on Little Porky's SDD liquor license request be tabled until the Township attorney reports to the Board on the legality of the request. **Motion carried 7—0 on a roll call vote.**

3.

Civic Event Application for 4th of July Fireworks

- ▶ **Motion:** Otto moved, Beliger supported, to accept the Civic Event Application for the 4th of July Fireworks Committee.

In answer to questions, Chief Wagner said he has no questions about this. Sam Jaquinto confirmed the Committee wants to use the community park for parking.

Motion carried 7—0 on a voice vote.

4.

**Resolution 17-556:
Road Closure for 4th of July Fireworks**

- ▶ **Motion:** Chick moved, Otto supported, to approve Resolution 17-556, Northfield Township, Michigan, Resolution Regarding a Temporary Road Closure Requested by the Whitmore Lake 4th of July Fireworks Committee. **Motion carried 7—0 on a voice vote. Resolution adopted.**

5.

**Civic Event Application
for German Park Summer Picnics**

- ▶ **Motion:** Otto moved, Beliger supported, to support the Civic Event Application for the German Park Recreation Club. **Motion carried 7—0 on a voice vote.**

6.

**Request to Hire Thomas Beert as
Wastewater Treatment Plant Operator II**

- ▶ **Motion:** Otto moved, Chick supported, to accept the hiring of Tom Beert to the position of Wastewater Treatment Plant Operator II with a beginning salary of \$32,000, noting that he has to pass all required checks, to start on April 17, 2017. **Motion carried 7—0 on a voice vote.**

7.

**Request for Continued Township Contribution
for Clean-up Day**

Board members discussed the cost and benefits to residents of participating in this.

- ▶ **Motion:** Otto moved, Chockley supported, for the Township to approve the clean-up day schedule for June 10th with the annual contribution of \$2,000. **Motion carried 7—0 on a voice vote.**

8.

**PNC Credit Cards: PNC Bank's Corporate
Resolution Assigning Program Administrators**

Chockley explained the need to authorize current employees to make changes to the Township's credit card account.

- ▶ **Motion:** Otto moved, Chockley supported, to approve the Resolution for Extensions of Credit and Incumbency Certificates for Kathleen Manley and Lenore Zelenock. **Motion carried 7—0 on a voice vote. Resolution adopted.**

- ▶ **Motion:** Otto moved, Beliger supported, to close the credit card accounts for Tim Hardesty and Howard Flnk. **Motion carried 7—0 on a voice vote.**

9.

**Request to Authorize New Credit Card Accounts
for Dan Willis and Cristina Wilson**

- ▶ **Motion:** Otto moved, Zelenock supported, to open new credit card accounts for Dan Willis and Christina Wilson with a credit limit of \$5,000 each. **Motion carried 7—0 on a voice vote.**

10.

**Request to Purchase Parking Signs
for Public Safety Building**

- ▶ **Motion:** Zelenock moved, Beliger supported, that the Township purchase three parking signs for residents for the Public Safety Building.

Zelenock explained that the purpose is to reserve three parking spaces with a 30 minute time limit.

Motion carried 7—0 on a voice vote.

11.

2017 Lawncare Bids

- ▶ **Motion:** Chockley moved, Chick supported, to accept the bid from J&M Landscaping for \$11,370 per year for lawn mowing and flower bed maintenance for the next three years, subject to the attorney review to insure inclusion of language to allow termination of the contract if necessary. **Motion carried 6—1 on a voice vote, Dockett opposed.**

12.

**Request to Change Township's Credit Card Service
Provider from "Official Payments" to "Point & Pay"**

- ▶ **Motion:** Zelenock moved, Otto supported, that the Township change its credit card processing company to Point & Pay subject to legal and auditor's review.

Zelenock recommended this change due to poor technical support and software integration from the current provider.

- ▶ **Amendment to motion:** Zelenock moved, Beliger supported, to insure that this works with the Township's bank and it is PCI compliant. **Motion carried 7—0 on a voice vote.**

Agenda Item 8



Kiwanis[®]

CLUB OF WHITMORE LAKE

Kiwanis of Whitmore Lake Foundation
www.kiwanisofwhitmorelake.org



P.O. Box 441
Whitmore Lake, MI 48189

November 18, 2019

Dear Northfield Township Board of Trustee,

The Kiwanis Club of Whitmore Lake has been dedicated to helping children and adults *within our local* community. We have provided support to the Northfield Township Community Center events, C.S. Mott Children's Hospital, 4th of July Parade, Whitmore Lake Literacy program, Adopt-a-family, Feeding His Sheep Backpack Food Program, and providing scholarships to school clubs and senior students as well as dictionaries to children in Whitmore Lake.

On July 4, 2020, Kiwanis will be hosting the **61st Annual Kiwanis 4th of July Parade** – we are honored to bring this event to the community of Northfield Township each year. The 4th of July Parade consists of over **50 dedicated volunteers, over 100 participants, equestrian teams, over 10 floats, marching bands and special program exhibits**. With a minimal budget of \$6000, every year gets better – this year is no exception! Most of these attractions have costs associated with them and the parade committee must rely on fundraisers and donations to cover these costs.

One of the fundraising events is the Annual Kiwanis Christmas Tree Sales. With the shortage of Christmas trees, Kiwanis almost didn't have the opportunity to sell trees this year. With something short of a miracle, Kiwanis was able to acquire 50 trees for the event...and yes, it is an event for families on our community. This year, one tree costs \$45.00. All proceeds go to support the 4th of July Parade and for some, it's their contribution to their own community.

With the new ordinance for holiday sales, Kiwanis was required to submit for a zoning permit for the Christmas Tree Sales – along with the permit application also comes the fee of \$200. Kiwanis is asking the Township Board to waive the permit application fee since this event help fund the 4th of July Parade, which is a community event.

Thank you in advance for your consideration if waiving the fee.

Yours in community,

Jacqueline Otto
Kiwanis 4th of July Committee Chair
jackiotto@yahoo.com



Kiwanis...changing the world, one child and one community at a time.

Agenda Item 9

To: Township Board
From: Steve Aynes, Township Manager
RE: Creation and Distribution of an RFQ for Legal Services
Date: November 20, 2019

The Board has received notice from the township attorney, Paul Burns, that he will be discontinuing his services for Northfield Township beginning January 1, 2020. We will need to begin our search for new legal counsel as soon as possible. Mr. Burns did indicate that he would assist in the transition once new legal counsel is obtained.

For this type of work, it is appropriate to issue a Request for Qualifications (RFQ).

Draft Motion: I, _____, seconded by _____, move to authorize the Township Manager to create and distribute an RFQ for municipal legal counsel.



LAW OFFICE OF PAUL E. BURNS

Attorneys at Law
133 West Grand River
Brighton, Michigan 48116
(810) 227-5000 FAX (810) 220-5895

Paul E. Burns
Matthew M. Hagerty
Bradford L. Maynes

May 24, 2007

Ms. Michele Manning
Northfield Township Clerk
Post Office Box 576
75 Barker Road
Whitmore Lake, Michigan 48189-0576

Re: Agreement Between the Township of Northfield and its Attorneys

Dear Ms. Manning:

Pursuant to the Northfield Township Board meeting held on Tuesday, May 22, 2007, enclosed please find two Agreements Between the Township of Northfield and its Attorneys that have been executed by Mr. Cicchella and I. Would you please execute both Agreements and forward one original to my office to retain and the other original should be retained by Northfield Township.

I thank you for your anticipated cooperation regarding this matter. If you have any questions, please do not hesitate to contact my office.

Very truly yours,

Paul E. Burns/cs.

Paul E. Burns

PEB:cs

encls

cc: Mr. Mike Cicchella

AGREEMENT BETWEEN THE TOWNSHIP OF NORTHFIELD AND ITS ATTORNEY

THIS AGREEMENT, effective May 22, 2007, by and between the LAW OFFICE OF PAUL E. BURNS, 133 West Grand River, Brighton, Michigan 48116, hereinafter referred to as the "Attorney", and the Township of Northfield, a municipal corporation of 75 Barker Road, Post Office Box 576, Whitmore Lake, Michigan 48189, hereinafter referred to as the "Township".

WHEREAS, it is the intention of the Township to have available services of an attorney in order that he may provide the Township with those legal services normally performed by the Township Attorney and as directed by the Northfield Township Board and staff; and

WHEREAS, it is the intention of the Attorney to provide professional services in accordance with the terms and conditions of this agreement.

WHEREAS, it is the intention of the Attorney to provide professional services in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, be it resolved:

1. The Attorney will for an annually agreed to retainer do the following:
 - a. Employ his experience and expertise in all matters entrusted to him;
 - b. Prepare for and be available to consult with, by telephone or in person, members of the Township Board on any matters pertaining to the Township of Northfield.
 - c. Prepare for and be available to consult with the Township Planning Consultant and other consultants employed by the Township;
 - d. Prepare for and be able to consult with Township staff members with respect to the investigation and the commencement of prosecution of Township of Northfield Ordinance matters;
 - e. Prepare Complaints and Warrants in cases involving violations of Township of Northfield Ordinances;
 - f. Prepare for and appear in District Court for pretrial conferences, motions and trials that involve Township of Northfield Ordinance violation cases;
 - g. Review all ordinances, resolutions and contracts. Prepare ordinances, review policies and motions, when requested, in a timely manner;
 - h. Abstain from representing any of the municipalities who may have interests conflicting with those of the Township of Northfield;

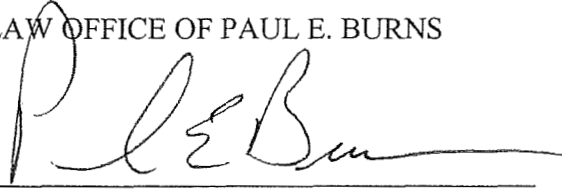
- i. Abstain from representing any person, corporation or group of corporations in any matter to which the Township is an interested party;
 - j. Pursue continuing education in the field of municipal law in order to keep abreast of the changes in the law applicable to townships and reading, reviewing and reflecting upon official decisions and changes in the statutory and regulatory law of the State of Michigan and the federal government insofar as it relates to Township affairs; and
 - k. Call to the attention of the Board all matters of law, and changes and development therein, affecting the Township.
2. The Attorney will for a fee provide the Township with other legal services, including by way of illustration, but not limited to, the following:
 - a. Representation of the Township's interest in civil litigation in the state and federal trial and appellate courts and before state and federal administrative agencies;
 - b. Preparation of documents in connection with Special Assessment Districts;
 - c. Representation of the Township's interest in annexation matters;
 - d. Representation of the Township's interest in real estate matters;
 - e. Prepare for and attend Township Board meetings by reviewing staff reports and agenda items for advance legal advice and input at least two days prior to Township Board meetings; and
 - f. Attendance, when requested, at any meeting of the Zoning Board of Appeals and Planning Commission.
3. The Township will:
 - a. Pay the Attorney a retainer as specified in paragraph 4 of this agreement for all those services stated in paragraph 1 of this agreement;
 - b. Pay the Attorney an hourly fee as stated in paragraph 4 of this agreement for services stated in paragraph 2 of this agreement; and
 - c. Pay reimbursable expenses incurred by the Attorney, his employees or his consultants in the interest of those duties assigned by the Township to include the expense of reproducing documentation and reports, fees to special consultants employed by the Attorney, and the expense of travel to

areas outside of the Township area in connection with those Township duties.

4. It is mutually agreed that:
 - a. A monthly retainer of \$5,000.00 for the Attorney for those items as stated in paragraph 1 effective May 22, 2007 through May 21, 2010, subject to review as set forth in paragraph 4d;
 - b. The retainer paid to the Township Attorney and the hourly fee is, among other factors and considerations, based upon the following:
 1. Experience;
 2. Expertise;
 3. The skill requisite to properly represent the Township's interest;
 4. Time and labor required;
 5. Availability;
 6. The fact that the attorneys in the Township Attorney's office may not represent persons with interests adverse to those of the Township; and
 7. The Township Attorney bears the expense of overhead and maintaining an office.
 - c. The hourly fee to be paid the Attorney for those items in paragraph 2 shall be at the rate of \$150.00 per hour effective May 22, 2007 through May 21, 2010, subject to review as set forth in paragraph 4d.
 - d. The monthly retainer and hourly fee is to be reviewed every six (6) months.
 - e. The Township shall pay for the expenses for the Attorney to attend conferences and workshops as may be approved by the Township Board in advance.
5. This agreement supersedes all previous representations, negotiations, understanding or agreements either written or oral between the parties hereto or their representatives pertaining to the subject matter hereof and constitutes the entire agreement of the parties.
6. This agreement is for a period of three (3) years, commencing May 22, 2007 through May 21, 2010. It may be renewed and modified through mutual agreement of the parties.

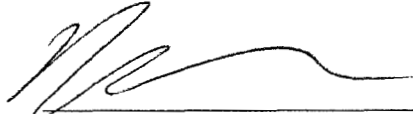
7. Either party may terminate this Agreement upon thirty (30) days written notice.

LAW OFFICE OF PAUL E. BURNS

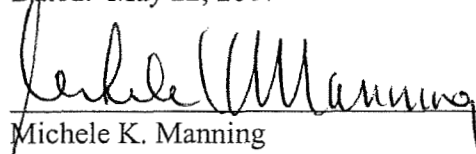


Paul E. Burns
Dated: May 24, 2007

TOWNSHIP OF NORTHFIELD



Michael Cicchella,
Northfield Township Supervisor
Dated: May 22, 2007



Michele K. Manning
Northfield Township Clerk
Dated: May 22, 2007

Agenda Item 10

To: Township Board
From: Steve Aynes, Township Manager
RE: Conditional Use for Whitmore Lake Climate Storage
Date: November 21, 2019

The Board has mentioned on numerous occasions that we should be striving to make the township a more business friendly community. On Wednesday night, the Planning Commission recommended for Board approval a Conditional Use for Whitmore Lake Climate Storage, LLC (aka Absolute Self Storage) to allow mini warehouse storage facilities. In an attempt to expedite the process and to allow the business owner to move forward with their plans, I am putting this Conditional Use on the agenda for Board approval. Minutes for this meeting are not currently available as the Recording Secretary is on vacation and will be creating minutes from the video upon her return. However, in reviewing the video the vote was as follows:

Motion by Roman, seconded by laquinto to approve #JPC190007 Whitmore Lake Climate Storage, LLC, 6684 Whitmore Lake Road, Whitmore Lake, MI 48189 for a Conditional Use to allow mini warehousing storage facilities under Article XXIII.I and to recommend approval to the Board of Trustees.

Ayes: Roman, laquinto, Chick, Cousino
Nays: None
Absent: Dwyer, Infante, Zarzecki

The plans for this application can be found in the November 20, 2019 Planning Commission Packet, located on the Planning Commission Documents page of our website.

MCKENNA



July 31, 2018

Planning Commission
Northfield Township
8350 Main Street
Whitmore Lake, Mi 48189-0576

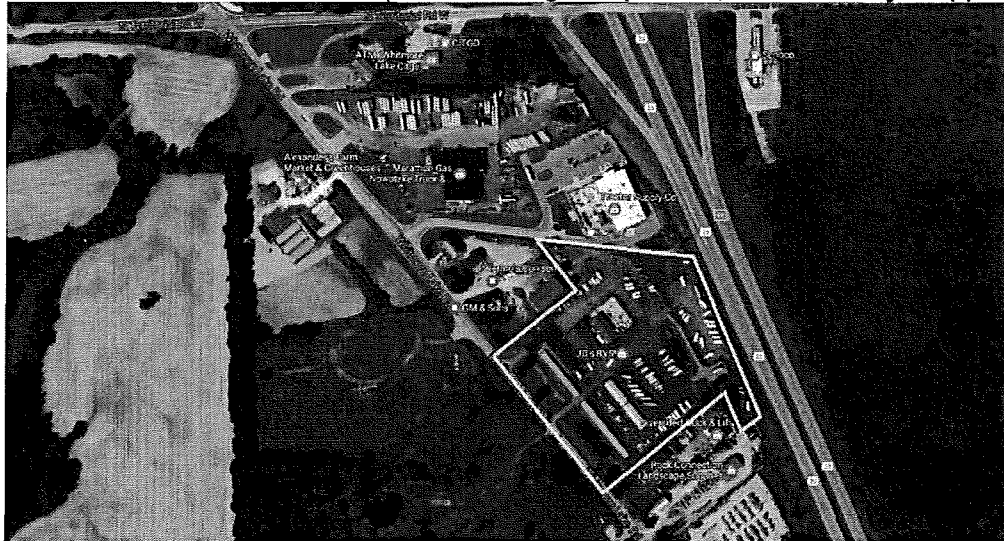
**Subject: Conditional Use Review #1; Absolute Self Storage Building Addition
Site plan received by Township on May 17, 2017**

Dear Planning Commissioners:

We have reviewed the proposed application for conditional use approval which was submitted by Absolute Self Storage, owned by George Kelsey and represented by Jeffery Evans, for additional buildings on the site at 6684 Whitmore Lake Road (Parcel ID#: B -02-20-300-018). The proposal is to add two 40' x 160', a 40' x 185' Boat/RV storage area, a 42' x 180' Covered Rv and Bus Parking Structure and a 6000 square foot warehouse building. The warehouse is reviewed in a separate letter. There are existing storage buildings on the site, which currently has four storage buildings of different sizes and two additional buildings. This parcel is approximately 10 acres and is located near the southwest corner of the interchange with US 23.

The site is zoned as Limited Industrial (LI), which does not permit mini-warehouses or mini-storage facilities as either permitted or conditional uses. However, the site is also located within the Whitmore Lake / North Territorial (WLNT) Overlay district based around the intersection of US 23, Whitmore Lake Road, and North Territorial Road. The WLNT Overlay district permits mini-warehousing as a conditional use. Our review of the site plan is in a separate letter dated June 16, 2017.

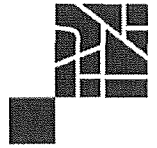
Site Photo: 6684 Whitmore Lake Road (Source: Google Maps 2017; site boundary is approximate)



DETROIT
28 West Adams Street
Suite 1000
Detroit, Michigan 48226

O 313.888.9882
F 248.596.0930
MCKA.COM

Communities for real life.



CONDITIONAL USE COMMENTS

For a conditional use approval to be granted, the Planning Commission and Township Board must find that the proposed use satisfies the criteria of Section 36-703 Storage of Recreational Vehicles and Section 36-838 General Conditional Use Approval Requirements in the Zoning Ordinance as follows:

A. Section 36-838. General Conditional Use Approval Requirements. For conditional use approval to be granted, the Planning Commission and Township Board must find that the proposed use satisfies the following general criteria:

- 1. Will be harmonious with and in accordance with the general objectives, intent and purpose of this chapter.** The purpose of the WNLT overlay district is to promote mixed uses with an emphasis on commercial, service, office and research technology uses, and related high-density residential uses consistent with the Master Plan. It is also the purpose of the district to enhance the streetscape, create pedestrian pathways and outdoor spaces, and promote high quality architecture. The site currently consists of self-storage buildings with some outdoor bus, boat, and RV storage. The site plan shows the addition of two new self-storage buildings and designated areas for bus, boat, and RV storage, including an area for covered parking. Currently, it is unclear what the structure covering the parking will look like. The proposed outdoor storage areas are harmonious with this purpose but it is difficult to determine if the covered parking will be harmonious without elevations of the structure. Please see our site plan review letter for more details, we believe the development of the site will be harmonious with and in accordance with the general objectives, intent and purpose of this chapter, if the site can meet all site plan requirements.
- 2. Will be designed, constructed, operated, maintained and managed so as to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity.** The applicant has proposed new landscaping that is attractive and will not detract from the intended character of the general area. Three new buildings have a variance on the design. The buildings are not visible from the road and this is unique to the site. There is landscape screening around the site and where the building is facing US-23 it is designed with Masonry brick.

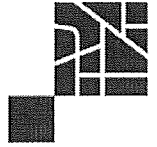
The Zoning Ordinance requires paved parking in all districts unless waived by the Planning Commission in accordance with section 36-762(3). The applicant has stated that a new line of pavement resurfaced with asphalt and new parking stripes will be added in

- 3. Will be compatible with the natural environment and existing and future uses in the vicinity.** The site is bordered by US 23 on the east, other developed parcels between US 23 and Whitmore Lake Road, and vacant lots to the west of Whitmore Lake Road. We have determined that the mini storage is properly screened from existing and future uses based on the landscaping plan and screening on site. In regards to the screening of recreational vehicles we recommend that additional screening for the recreational vehicle storage along the east end



of the property. However, these standards can be achieved with additional details to be provided on a revised site plan. Our comments on the specific details needed for site landscaping and screening are addressed in our site plan review letter.

4. ***Will be compatible with the Township land use development plan.*** According to the Master Plan, the Future Land Use designation for the site is Industrial. The intent of the Industrial designation is to provide locations for industrial operations that may have moderate effects on adjacent properties because of noise, odor, traffic, and storage of materials. Uses are categorized as needing larger tracts of land and outdoor storage of materials and equipment. The Zoning Plan indicates an overlay district as an appropriate implementation of this future land use category, and the WLNT Overlay district fulfills this intent. Because of the anticipated intensity of development, the impact on the total number of vehicle trips on Whitmore Lake Road will be minor. Our detailed comments regarding traffic impacts of the site are addressed in our site plan review letter.
5. ***Will be or can be served adequately by essential public facilities and services.*** Access to the site is from Whitmore Lake Road. This road is classified as a Minor Arterial roadway which is intended to funnel traffic to arterial roads, like US-23. Access to US 23 is available at the North Territorial Road interchange just north of the site. The site is served by public facilities and has access to emergency services. We do not know what the site's impacts will be on the Township's sanitary sewer system, so we will defer this question to the appropriate Township engineer. Based on anticipated activity on the site being of similar intensity to existing activities, we believe that the site will be or can be served adequately by essential public facilities and services.
6. ***Will not be hazardous or disturbing to existing or future neighboring uses.*** The adjacent zoning classifications of the site are LI – Limited Industrial (completely surrounding the site west of US 23) and GC – General Commercial (Sunoco and the vacant lot owned by Meijer across US 23). Please see our site plan review letter for more details regarding screening for recreational vehicles. The standards for the screening of recreational vehicles shall be met. However, if these standards are met, then we do not expect the proposed conditional uses to be hazardous or disturbing to existing or future neighbors.
7. ***Will not create excessive additional requirements at public cost for public facilities and services.*** The proposed land use should not create excessive additional requirements at public cost for public facilities and services. Based on the level of activity on the site there is not likely to be an excessive demand for increases in amenities such as sanitary sewers. All of the proposed buildings shall meet all building codes and regulations. Please see our site plan review letter for more details regarding screening of recreational vehicle storage
8. ***The Storage of recreational equipment:*** The proposed use is similar Storage of recreational equipment. vehicles. Regulations specific to storage of recreational equipment are in section 36-703 of the Zoning Ordinance, as follows:
 - (1) Recreation vehicles, boats and boat trailers, snowmobiles, trail cycles, all-terrain vehicles, and similar equipment, and trailers, cases, and boxes used for transporting recreational equipment, whether occupied by such equipment or not, shall not be parked or stored in front of the front building line or any vacant lot in a residence district; provided, however,



that such equipment may be parked anywhere in a driveway or parking area on residential premises for a period not to exceed 72 hours during loading or unloading. Such equipment shall not be used for living, sleeping, or housekeeping purposes when parked or stored on a residential lot, or in any location not approved for such use. Storage of such equipment, when permitted in a commercial district as a principal use of a lot, shall be located behind all required lot lines with all required yards to be landscaped and properly and regularly maintained. The storage area shall have a gravel or paved surface, treated regularly to prevent erosion and blowing of dust. The storage area shall be fenced for security purposes, by at least a six-foot-high cyclone-type fence. We find these standards to be met.

RECOMMENDATION

As noted above and in our site plan review letter, additional details are required to determine and address site issues such as landscaping and screening. However, we believe any outstanding issues on the site are related to the site plan, and that the site otherwise meets the conditional use standards. We recommend the proposed conditional use application be recommended for approval by the Northfield Township Board of Trustees, subject to the following condition:

1. Conditional use approval is contingent on site plan approval.

Respectfully submitted,

McKENNA

Handwritten signature of Paul Lippens in black ink.

Paul Lippens, AICP
Director of Transportation and Urban Design

Handwritten signature of Irvin Wyche in black ink.

Irvin Wyche
Assistant Planner

NORTHFIELD TOWNSHIP MICHIGAN

8350 Main Street • Whitmore Lake, Michigan 48189-0576

Telephone: (734) 449-2880 • Building Dept. (734) 449-5000 • Fax: (734) 449-0123 • Web Site: www.twp-northfield.org

CONDITIONAL USE APPLICATION FORM

PROJECT NAME: <u>Absolute Self Storage Building Addition</u>	
PROJECT ADDRESS: <u>6684 Whitmore Lake Rd Whitmore Lake, MI 48189</u>	
PARCEL ID(S): <u>B-02-20-300-018</u>	DEVELOPMENT NAME: <u>Absolute Self-Storage</u>

Applicant Information:	Owner Information:
Name: <u>Jeffery Evans</u>	Name: <u>George Kelsey</u>
Address: <u>[Redacted] Ann Arbor, MI 48103</u>	Address: <u>[Redacted] Pinckney MI 48169</u>
Phone: <u>[Redacted]</u>	Phone: <u>[Redacted]</u>
Email: <u>[Redacted]</u>	Email: <u>[Redacted]</u>

If application is made by anyone other than the owner in fee, it shall be accompanied by a duly verified affidavit of the owner or agent thereof that the application and the proposed work or operation is authorized by the owner in fee. If the owner or lessee is a corporate body, the full name and address of the responsible officers shall also be provided.

Proof of Ownership Attached: <input checked="" type="checkbox"/>	Non-Owner Affidavit Attached: <input checked="" type="checkbox"/>
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If applicant is not the owner, describe applicants interest in the property: Parents own property

PROPERTY DESCRIPTION
Description of Proposed Use: <u>Mini warehousing / mini storage / self-storage</u>
Conditional Use is Sought Under what section of the Northfield Township Zoning Ordinance: <u>WLNT Overlay</u>

Zoning Classification(s):
 AR LR MR MHP SR1 SR2 LC HC GC LI GI RTM ES PUD PSC RC RO WLD- W.L./N.T. Overlay OTHER: _____

AN APPLICATION FOR CONDITIONAL USE MUST CONTAIN THE FOLLOWING INFORMATION:

- Proof of Ownership
- Legal Description
- Scaled and accurate survey drawings, with existing buildings, drives, and improvements.
- A site plan, meeting the requirements of a preliminary site plan, as set forth in Section 64.03, herein.

AUTHORIZED SIGNATURE

I have read the attached provisions of the Northfield Zoning Ordinance in regards to Article 63.0, Conditional Use and understand a public hearing will be established within sixty-five (65) days of the filing date.

<u>[Signature]</u> Applicant(s) Signature	<u>7-15-2014</u> Date
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Comments: _____

DETERMINATION

The Northfield Township Planning Commission has reviewed the particular circumstances of the above proposed use relative to Section 63.0 Conditional Uses; and **Approved / Disapproved** same on _____, 20_____.

Conditions imposed on the conditional use of the above described property are as follows:

BREACH OF SUCH CONDITIONS SHALL AUTOMATICALLY INVALIDATE THIS PERMIT.

Chair, Planning Commission

Date

Secretary, Planning Commission

Date

APPLICANT DETERMINATION AGREEMENT

I/We _____ applicant(s) for this Conditional Use permit hereby agree to comply with the above imposed conditions as specified by the Northfield Township Ordinance and the Planning Commission of Northfield Township.

Applicant

Date

Applicant

Date

RECEIVED

JUL 15 2019

NORTHFIELD TOWNSHIP

PAID

JUL 15 2019

NORTHFIELD TOWNSHIP
TREASURER