

BROWNFIELD BONDING AND REIMBURSEMENT AGREEMENT

THIS BROWNFIELD BONDING AND REIMBURSEMENT AGREEMENT (“Agreement”) is made as of this 12th day of December 2017, by and between HB BM East Lansing LLC, a Michigan limited liability company, with offices at 3412 Commercial Avenue, Northbrook, IL 60662 (“Developer”) and the CITY OF EAST LANSING BROWNFIELD REDEVELOPMENT AUTHORITY (“ELBRA”), established by the City of East Lansing pursuant to Michigan Public Act 381 of 1996, as amended with its office at 410 Abbot Road, East Lansing, Michigan 48823.

RECITALS

A. The primary purpose of the ELBRA, pursuant to the Brownfield Redevelopment Financing Act, is to encourage the redevelopment of contaminated, functionally obsolete, and blighted property within the City of East Lansing by providing financial and tax incentives, without which the redevelopment would not be economically feasible.

B. Developer has acquired the property commonly known as 125 & 133, 135, and 201-209 East Grand River Avenue, East Lansing, Michigan 48823 (the “Developer’s Property”), as more fully described in Brownfield Plan No. 24.

C. Developer plans to invest approximately \$125 million to redevelop the Developer’s Property, together with property owned by the City of East Lansing and identified in Brownfield Plan No. 24 (collectively, the “Property”), as a mixed-use project as described in Brownfield Plan No. 24 and the Master Development Agreement. The Property has been determined to be a “facility,” and “adjacent and contiguous.” The Property qualifies as an Eligible Property under Section 2 of the Brownfield Redevelopment Financing Act.

D. Developer plans to undertake Eligible Activities as defined in the Brownfield Redevelopment Financing Act.

E. The ELBRA plans to capture 100% of the increase in the real property taxes, other than taxes from the operating millage attributable to the City’s Downtown Development Authority, and none of the increase in the personal property taxes, resulting from the redevelopment of the Property and use these funds to (i) pay administrative expenses of the City as described in Section 8 below, and (ii) pay the debt service on the Bonds and reimburse Developer for the costs of any City approved Eligible Activities as provided in, and subject to the limitations of, the Master Development Agreement. Pursuant to the terms of the Master Development Agreement, the maximum amount of Tax Increment Revenues that may be captured with respect to the Property is limited to \$55,952,038.

F. The parties are entering into this Agreement to specify the terms and conditions associated with the payment of debt service on the Bonds and the reimbursement of costs associated with the Eligible Activities.

AGREEMENTS

NOW, THEREFORE, the parties agree with each other as follows:

1. Definitions

“Bonds” mean one or more series of limited obligation revenue bonds issued by the ELBRA, as provided for in, and subject to the limitations of, the Master Development Agreement.

“Brownfield Plan No. 24” means Brownfield Plan No. 24 as approved by the ELBRA on May 23, 2017 and as approved and amended by resolution of the East Lansing City Council at its June 20, 2017 City Council Meeting.

“Brownfield Redevelopment Financing Act” or **“Act 381”** means Act No. 381 of the Public Acts of 1996, as amended, MCLA 125.2651 et seq.

“City” means the City of East Lansing;

“Eligible Activities” are defined by Section 2(n) of the Brownfield Redevelopment Financing Act;

“Eligible Property” is defined by Section 2(o) of the Brownfield Redevelopment Financing Act;

“Master Development Agreement” means the Master Developer Agreement dated October 31, 2017, as amended by a First Addendum to Master Development Agreement, each among the City, the ELBRA, the East Lansing Downtown Development Authority and the Developer.

“Tax Increment Revenues” are defined by Section 2(mm) of the Brownfield Redevelopment Financing Act.

2. Brownfield Plan No. 24

The terms of Brownfield Plan No. 24 are incorporated into this Agreement by reference. To the extent that any provisions of Brownfield Plan No. 24 and any subsequent amendment thereto conflict with this Agreement, and as this Agreement may be amended, the terms and conditions of this Agreement control. To the extent provisions of Brownfield Plan No. 24, and any amendment to Brownfield Plan No. 24, or this Agreement, conflict with Act 381, then Act 381 controls.

3. Tax Capture

Pursuant to Brownfield Plan No. 24, and except for (i) incremental taxes attributable to personal property taxes and (ii) incremental taxes attributable to the operating millage for the City’s Downtown Development Authority, the ELBRA shall capture 100% of the Tax Increment

Revenues from the Property as set forth in Brownfield Plan No. 24 and as allowed under Act 381.

4. Eligible Activities

Developer commits to complete the Eligible Activities set forth in Brownfield Plan No. 24 and in the Master Development Agreement under the terms and conditions set forth in the Master Development Agreement.

5. Issuance of Bonds

The Master Development Agreement sets forth the terms and conditions under which the ELBRA will issue the Bonds to pay for the costs of the City Approved Eligible Activities (as such term is defined in the Master Development Agreement).

6. Payment of Debt Service on the Bonds and Reimbursement

The Master Development Agreement sets forth the terms and conditions under which Tax Increment Revenues will be used to pay the debt service on the Bonds and, under certain circumstances, reimburse the Developer for certain expenses. The terms of the Master Development Agreement are incorporated into this Agreement.

7. Shortfall In Captured Taxes

Neither the ELBRA nor the City shall be responsible for reimbursing any costs of Eligible Activities if Tax Increment Revenues through the duration of Brownfield Plan No. 24 are insufficient to cover said costs.

8. Payment of Administrative Expenses

The actual annual City administrative expenses per Brownfield Plan No. 24, not to exceed \$15,000 per annum, shall be paid first from available Tax Increment Revenues prior to the payment of any debt service on the Bonds, commencing with the first year of tax captured under Brownfield Plan No. 24.

9. Adjustments

If, due to an appeal of any tax assessment or reassessment of any portion of the Property, or for any other reason the ELBRA is required to reimburse any Tax Increment Revenues related to the Property to the City or to any other tax levying unit of government, and if the ELBRA has not been made whole from the City or such other tax levying unit of government for the amount of the reimbursement (the difference between the amount of the actual reimbursement of any Tax Increment Revenue to the City and other governmental units and any subsequent credits or setoffs of Tax Increment Revenue from the City and such other governmental units is referenced in this Paragraph as the "Shortfall Amount"), then in any future tax collection years the ELBRA may reduce payments of Tax Increment Revenues to the trustee for the Bonds in an amount equal to the Shortfall Amount. Additionally, the ELBRA may deduct such amounts, including interest and penalties, from reimbursements that would otherwise be paid to the Developer pursuant to the Master Development Agreement. If all reimbursements due the Developer under Master Development Agreement have been fully paid, the ELBRA shall invoice the Developer for the amount of any such reimbursements for which the City has not been made whole, and the Developer shall pay the ELBRA such invoiced amount within 30 days of the Developer's receipt

of such invoice. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

10. Transfer of Real Property

In the event that the Developer transfers ownership of all or part of the Property prior to being reimbursed in full for costs as provided in the Master Development Agreement, Brownfield Plan No. 24 may be further amended as it relates to reimbursement of the Developer, but subject to the limitations on reimbursement set forth in the Master Development Agreement. Such amendments will not be unreasonably withheld by the ELBRA. Amendments to Brownfield Plan No. 24 shall be subject to the limitations and procedures governing amendments set forth in the Brownfield Redevelopment Financing Act. This Agreement shall be modified to reflect any such amendments to Brownfield Plan No. 24.

11. LEED Certification

In lieu of having the project certified at the LEED “Certified” level per the City Council’s Policy Resolution 2009-1 (Green Building Policy), the Developer shall have a design professional with LEED AP credentials demonstrate how the Project (as defined in the Master Development Agreement) meets the minimum scoring criteria as established by the U.S. Green Building Council. Reimbursements that may be made to the Developer pursuant to the terms of the Master Development Agreement may be withheld at the discretion of the ELBRA if this requirement is not met.

12. Legislative Authorization

This Agreement is governed by and subject to the restrictions set forth in the Brownfield Redevelopment Financing Act and the Michigan General Property Tax Act. In the event that there is legislation enacted in the future which restricts or adversely affects the amount of Tax Increment Revenues capturable, Eligible Properties, or Eligible Activities relating to already approved plans, then any Developer’s rights and the ELBRA’s obligations under this Agreement shall be eliminated or modified accordingly.

13. Freedom of Information Act

Developer stipulates that all requests and documentation submitted by the Developer shall be open to the public under the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, being Sections 15.231 et seq. of the Michigan Compiled Laws and no claim of trade secrets or other privilege or exception to the Freedom of Information Act will be claimed by it in relation to this Agreement, requests for reimbursement and supporting documentation.

14. Plan Modification

Brownfield Plan No. 24 may be modified to the extent allowed under the Brownfield Redevelopment Financing Act, provided any such modification shall require the mutual agreement in writing of the City, ELBRA and Developer.

15. Notices

All notices shall be given by registered or certified mail addressed to the parties at their respective addresses as shown in the first paragraph of this Agreement. Either party may change the address by written notice sent by registered or certified mail to the other party.

16. Assignment

This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other party, which consent shall not be unreasonably withheld, provided, however, the Developer may assign its interest in this Agreement to an affiliate without the prior written consent of the ELBRA, provided, any such assignee shall acknowledge to the ELBRA in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement and provided, further, that the Developer may make a collateral assignment of the Tax Increment Revenues after review of such assignment and consent by ELBRA's legal counsel and approval of the ELBRA's administrative staff. As used in this paragraph, as to Developer, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship, estate planning entity, or other entity or individual which (a) is owned or controlled by Developer, (b) owns or controls Developer or (c) is under common ownership or control with Developer. Notwithstanding any other provision of this Agreement, sales, transfers and/or dispositions of any beneficial ownership interest in Developer shall not be deemed to require approval of the ELBRA.

17. Indemnification

If any activity allowed by this Agreement is alleged or deemed illegal or impermissible by a competent agency of the State of Michigan or court of law, then the party charged with that activity and any assignee will defend, indemnify and hold harmless the other party from any claim, demand or suit for damages, costs, penalties, losses or other relief arising from that activity.

18. Non-Waiver, Time of the Essence

No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein. Time is of the essence.

19. Headings

Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

20. Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

21. Counterparts

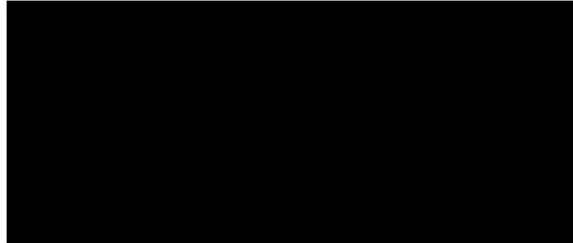
This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

22. Binding Effect

Subject to the terms herein, the provisions of this Agreement shall be binding upon and inure to the benefit of each of the parties and their respective heirs, legal representatives, successors, and assigns.

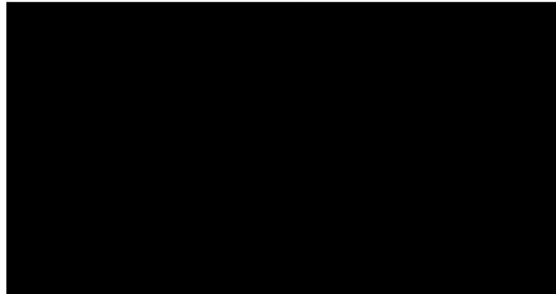
In witness whereof the parties have executed this Agreement by their duly authorized representatives.

Brownfield Redevelopment Authority of the City of East Lansing



Date: December 12, 2017

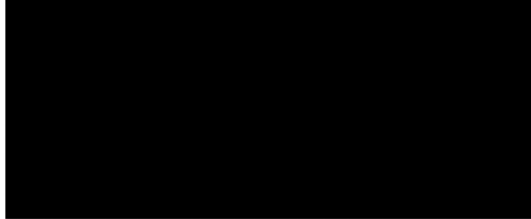
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