

**AGREEMENT REGARDING REAL PROPERTY
AND REVERTER INTEREST**

This Agreement is made this 29th day of August, 2019, between the Downtown Development Authority of the Village of Calumet, a Michigan municipal authority (“the DDA”) of 340 Sixth Street, Calumet, Michigan 49913, and 330 Fifth, LLC, a Michigan limited liability company (“330 Fifth”) of 2203 Lorraine Avenue, Kalamazoo, Michigan 49008.

330 Fifth is the owner of property (“the Real Property”) located in the Village of Calumet, County of Houghton and State of Michigan, described as follows:

Parcel A: Lot Four (4) of Block Twenty (20) of the Village of Red Jacket (now Calumet), Houghton County, Michigan, according to the plat thereof recorded in Cabinet 1, Folio No. 51, in the office of the Register of Deeds for Houghton County, Michigan; and

Parcel B: The North Half (N½) of Lot Five (5) of Block Twenty (20) of the Village of Red Jacket (now Calumet), Houghton County, Michigan, according to the plat thereof recorded in Cabinet 1, Folio No. 51, in the office of the Register of Deeds for Houghton County, Michigan.

330 Fifth wishes to donate the Real Property to the DDA under certain conditions and the DDA wishes to accept this donation. This Agreement states the conditions upon which the donation is made.

Consequently, the parties agree as follows:

1. 330 Fifth will convey (donate) the Real Property to the DDA promptly following the execution of this Agreement.
2. Real property taxes on the Real Property for 2018 and all prior years have been paid. The DDA will be responsible for all real property taxes and for any and all fees and payments, if any, due from the owner of the Real Property for 2019 and subsequent years. The DDA will accept conveyance of the Real Property by 330 Fifth by a quitclaim deed (“the Quitclaim Deed”), the form of which is attached to this Statement as “Exhibit A.” The DDA will not require title insurance or a formal closing at a title company; the DDA has searched the title to the Real Property and is satisfied that 330 Fifth Street has marketable title to the Real Property. The DDA will pay the fee to record the Quitclaim Deed. Because the Real Property will be donated to the DDA, there will be no transfer tax due on the conveyance. Consequently, all costs associated with this conveyance will be paid by the DDA.
3. The DDA has leveled the Real Property, placed topsoil on the Real Property, and planted grass of the Real Property. At present, the DDA has no plan for the Real Property except to maintain it as a green space. Nevertheless, the DDA may build on and improve the Real Property at any time within its sole discretion but, in any event, whether the Real Property remains a green space or is improved, it shall be the obligation of the DDA to maintain the Real

Property and all improvements thereon, if any, in good condition and to keep the Real Property neat and tidy in appearance and free from debris for a period of not less than ten (10) years after the date when the Quitclaim Deed has been recorded in the office of the Register of Deeds for Houghton County, Michigan.

4. The Quitclaim Deed shall provide that the Real Property will revert to 330 Fifth or its assignee, collectively “the Owner of the Reverter Interest,” as appropriate, under any of the following circumstances or conditions:

a. The DDA fails to reasonably maintain the Real Property for a period of more than twenty-four (24) consecutive months substantially as required by Paragraph 3 of this Agreement after written notice of such failure has been delivered or mailed by first class mail by the Owner of the Reverter Interest to the DDA.

b. The DDA attempts to sell or transfer the Real Property without the prior written consent of the Owner of the Reverter Interest.

If the conditions for a reverter occur, the Owner of the Reverter Interest shall give written notice to the DDA that the Real Property is the subject of reverter in which case the DDA shall convey the Real Property to the Owner of the Reverter Interest within sixty days of receipt of such notice unless the DDA disputes the occurrence of the reverter by filing an action in a court with appropriate jurisdiction in Houghton County within such period of sixty days for a determination of whether the circumstances prerequisite to a reverter have occurred.

5. The Owner of the Reverter Interest may assign such reverter interest. In the case of such assignment, any and all reverter interests shall be assigned so that no more than one party at a time owns any or all of such reverter interests. Any attempt to assign less than all reverter interests in the Real Property shall be void.

6. If a reverter of the Real Property has not occurred within ten (10) years of the date of recording of the Quitclaim Deed, all rights to a reverter shall expire and be void. If 330 Fifth or any successor in interest of 330 Fifth to a reverter interest is dissolved as a corporation, limited liability company, or partnership for any reason, voluntarily or involuntarily, by operation of law or otherwise, while it is the owner of a reverter interest in the Real Property, all rights of reverter in the Real Property shall immediately expire and be void.

7. If 330 Fifth desires a deduction from federal and/or state income tax arising from the donation of the Real Property to the DDA, 330 Fifth shall deliver to the DDA at the expense of 330 Fifth an appraisal made in good faith by a qualified appraiser of the value of the Real Property conveyed to the DDA to include consideration of any reduction from the value of the property conveyed due to the existence of provisions for reverter.

[Signatures of the duly authorized representatives on the next page.]

Dated: August 29, 2019

By: _____
John Mueller,
Sole member of 330 Fifth, LLC

Dated: August _____, 2019

By: _____
Leah Polzien,
Chairperson of the Downtown
Development Authority of the Village of
Calumet

EXHIBIT A

QUITCLAIM DEED

The Grantor, 330 FIFTH, LLC, a Michigan limited liability company (“the Grantor”), of 2203 Lorraine Avenue, Kalamazoo, Michigan 49008, quitclaims to the Downtown Development Authority of the Village of Calumet, a Michigan municipal authority (“the DDA”), of 340 Sixth Street, Calumet, Michigan 49913, the following described premises (“the Real Property”) situated in the Village of Calumet, Township of Calumet, County of Houghton, and State of Michigan:

Parcel A: Lot Four (4) of Block Twenty (20) of the Village of Red Jacket (now Calumet), Houghton County, Michigan, according to the plat thereof recorded in Cabinet 1, Folio No. 51, in the office of the Register of Deeds for Houghton County, Michigan; and

Parcel B: The North Half (N½) of Lot Five (5) of Block Twenty (20) of the Village of Red Jacket (now Calumet), Houghton County, Michigan, according to the plat thereof recorded in Cabinet 1, Folio No. 51, in the office of the Register of Deeds for Houghton County, Michigan;

for no consideration, this conveyance being a gift. This conveyance is exempt from transfer tax pursuant to MCL 207.505(h)(i) and MCL 207.526(h)(i).

The Real Property shall revert to the Grantor or its assignee of a reversionary interest if either of two conditions occur which trigger a reverter as those conditions are stated in an Agreement Regarding Real Property and Reverter Interest executed by the Grantor and the Grantee, and which is dated on _____, 2019, the date of this Quitclaim Deed, but always subject to the provisions of such Agreement.

If the conditions for the reverter occur, the owner of the reverter shall give written notice to the DDA that the Real Property is the subject of reverter in which case the DDA shall convey the Real Property to the owner of the reverter within sixty days of receipt of such notice unless the DDA disputes the occurrence of the reverter by filing an action in a court with appropriate jurisdiction in Houghton County within such period of sixty days for a determination of whether the circumstances prerequisite to a reverter have occurred.

The Grantor and its successors in interest to ownership of a reverter interest in the Real Property may assign such reverter interest. In the case of such assignment, any and all such reverter interests shall be assigned so that no more than one party at a time owns any or all such reverter interests. Any attempt to assign less than all reverter interests in the Real Property shall be void.

If a reverter of the Real Property has not occurred within ten (10) year of the date when this Quitclaim Deed is recorded in the office of the Register of Deeds for Houghton County, Michigan, all rights of reverter in the Real Property shall expire and be void. If the Grantor or any of its successors in interest to a right of reverter in the Real Property is dissolved as a corporation, limited liability company, or partnership, as the case may be, for any reason, voluntarily or involuntarily, by operation of law or otherwise, while it is the owner of a reverter interest in the Real Property, all rights of reverter in the Real Property shall thereupon immediately expire and be void.

Dated this ____ day of _____, 2019.

Signed by: 330 FIFTH, LLC

By _____
JOHN MUELLER,
Its Sole Member

STATE OF MICHIGAN)
)ss
County of Houghton)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by JOHN MUELLER, the Sole Member of 330 Fifth, LLC, a Michigan limited liability company, on behalf of the company.

Notary Public
Houghton County, Michigan
My commission expires:

Prepared by:
James F. Tercha
James F. Tercha, PLLC
Attorney at Law
416 Eighth Street
Calumet, MI 49913
(906) 337-5019