



Detroit Brownfield Redevelopment Authority
500 Griswold Street • Suite 2200
Detroit, Michigan 48226
Phone: 313 963-2940
Fax: 313 963-8839

February 26, 2019

Great Lakes Water Authority
735 Randolph, Suite 1900
Detroit, Michigan 48226
Attn: Randal Brown, General Counsel

City of Detroit
2 Woodward Avenue
Detroit, Michigan 48226
Attn: Gary Brown, Director and CEO of the Detroit Water and Sewerage Department

RE: Portions of 11900 Freud and 11900 E. Jefferson, Detroit, Michigan (Vacant Portion of the Conner Creek CSO Site)

Dear Mr. Brown and Mr. Brown:

This letter ("Letter of Intent") is to demonstrate the intentions of the City of Detroit Brownfield Redevelopment Authority (the "DBRA"), the City of Detroit (the "City"), and The Great Lakes Water Authority ("GLWA") in regards to the proposed sale of a portion of the properties located at 11900 Freud and 11900 E. Jefferson, Detroit, Michigan by the City to the DBRA. The terms and conditions set forth below are to be interpreted as the basis for a formalized Purchase Agreement. This Letter of Intent shall not be construed as a legally binding document.

Upon mutual execution of this non-binding Letter of Intent, the DBRA, the City, and GLWA shall negotiate a definitive Purchase Agreement on the terms set forth below that the DBRA shall prepare forthwith. The basic terms and conditions are as follows:

Property:	The approximate 14.45 acre vacant parcel that is part of the properties located at 11900 Freud and 11900 E. Jefferson (Parts of tax parcels 21000071 and 21000070.002L) in Detroit, Michigan, as depicted in the enclosed appraisal ("Property").
Purchase Price:	One Million and 00/100 Dollars (\$1,000,000.00), payable at Closing.

- Earnest Money Deposit:** \$1,000.00 within three (3) business days of the execution of a Purchase Agreement. The deposit shall be held by Amrock, Inc. (662 Woodward Ave., Detroit, Michigan 48226) (the "Title Company") and applied to the Purchase Price at Closing.
- Due Diligence Period:** The DBRA shall have a one hundred eighty (180) day due diligence period, following mutual execution of the Purchase Agreement, to satisfy itself, in its absolute and sole discretion, with any and all aspects of the Property. In connection therewith, the DBRA, any potential end-users of the Property, and their respective contractors and consultants shall have access to the Property to conduct such investigations and inspections as they may require. Upon written notice to the City and GLWA, the DBRA may extend such due diligence period for an additional thirty (30) days. Should the DBRA not be satisfied for any reason or no reason, with its review and/or inspection, it shall be authorized to withdraw from the sale and receive a full refund of its earnest money deposit and interest earned thereon (if applicable).
- Closing:** Closing on the Property shall occur on a date selected by the City, GLWA, and the DBRA, but not to exceed thirty (30) days from the end of the Due Diligence Period.
- Title:** At Closing, the City shall deliver to the DBRA title to the Property by a quit claim deed free and clear of GLWA's leasehold interest and all encumbrances other than permitted encumbrances as defined in the Purchase Agreement. The DBRA shall be responsible for the cost of a title policy, but the City and GLWA will execute such affidavits as may be required for the Title Company to issue the title policy without standard exceptions.
- Tax Parcel Split:** The City shall have a new tax parcel assigned to the Property so that the Property is assessed pursuant to its own tax parcel number separate and distinct from the parent parcels of which the Property is currently a part. The DBRA shall be responsible for any necessary survey of the Property to allow the City to have such new tax parcel assigned to the Property.

Access Easement:

Pursuant to an easement agreement that the parties will negotiate in good faith during the Due Diligence Period, at Closing, the City shall grant to the DBRA a permanent, non-exclusive easement over and across an agreed upon portion of the Property's parent parcels for utilities, drainage (if necessary), water, and sewer, and ingress and egress. Such easement shall run with the land.

Road Vacation:

As a condition precedent to the DBRA's obligation to acquire the Property, the City shall vacate that portion of Canal Street located on the Property without a reserving an easement for utilities unless otherwise approved by the DBRA.

It is recognized that the parties have not discussed or negotiated all of the terms and conditions that will be included in the Purchase Agreement, that matters set forth in this Letter of Intent have to be negotiated fully in the Purchase Agreement, and that other matters, including without limitation, representations, warranties, indemnities and conditions, also have to be negotiated in the Purchase Agreement. In addition, the Purchase Agreement must be approved by the DBRA Board of Directors. Accordingly, this Letter of Intent is not intended to, and does not, bind either party to any right or obligation whatsoever (including the right or obligation to continue the negotiations). It is intended by the parties that only the subsequent formal, written Purchase Agreement, if executed and delivered by both parties, will bind the parties as to any matter that is the subject of this Letter of Intent other than as set forth in the following sentence.

The City and GLWA agree that following the execution of this Letter of Intent, it shall not negotiate with or offer the Property for sale to any other third-party, so long as the parties are diligently negotiating the Purchase Agreement.

If the foregoing is acceptable to you, please so indicate by signing this Letter of Intent in the space provided below and returning the same to our attention by _____, 2019.

Sincerely,

CITY OF DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY

By: [Signature]
Name: JENNIFER KERNALIS
Its: Authorized Agent

By: [Signature]
Name: MALINDA JENSEN
Its: Authorized Agent

AGREED AND ACCEPTED:

THE GREAT LAKES WATER AUTHORITY

By: _____

Name: _____

Its: _____

Date: _____

THE CITY OF DETROIT

By: _____

Name: _____

Its: _____

Date: _____

Enclosure