

**ANN ARBOR COMMUNITY CLIMATE ACTION GRANT AGREEMENT
BETWEEN THE CITY OF ANN ARBOR AND
THE ANN ARBOR HOUSING DEVELOPMENT CORPORATION**

This Climate Action Grant Agreement (“Agreement”), is entered into this _____ of _____, 2026, between the City of Ann Arbor, a Michigan municipal corporation, whose address is 301 E. Huron Street, Ann Arbor, Michigan 48103 (the “City”) and the Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation, with offices at 2000 S. Industrial Hwy., Michigan 48104 (“Grantee”) (each individually a “Party” and collectively the “Parties”).

The Parties agree as follows:

1. **GRANT.** The City agrees to grant to the Grantee, and Grantee agrees to accept on the terms and conditions stated herein, the amount of One Million Dollars and no cents (\$1,000,000.00) for the purposes outlined herein (“Grant”). The source of the Grant is the County Mental Health Millage Fund balance (\$814,446.00) and the Climate Action Millage Fund (\$187,554.00).

2. **DURATION.** The Term of this Agreement is from January 21, 2026 to December 31, 2027.

3. **USE OF GRANT.** Grantee shall administer use of the Grant for the sole purpose of sustainability-related construction for the affordable housing development project known as 350 S. 5th Avenue to support energy efficiency, renewable energy, and other related sustainability improvements, as outlined in City Council Resolution R-26-_____.

4. **DISBURSEMENT.**

a. The City will disburse the full Grant amount to Grantee within a reasonable time after approval and execution of this Agreement.

5. **AMENDMENTS.** This Agreement may be amended only by a written agreement executed by the Parties.

6. **INDEMNIFICATION.**

a. Grantee hereby agrees to defend, indemnify, reimburse and hold harmless the City, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement (“Claims”), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify the City for any acts or omissions of Grantee or its subcontractors either passive or active, irrespective of fault, including the City’s concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of the City.

b. Grantee’s duty to defend and indemnify the City shall arise at the time written notice of the Claim is first provided to the City regardless of whether Claimant has filed suit on the Claim. Grantee’s duty to defend and indemnify the City shall arise even if the City is the only Party sued by claimant and/or claimant alleges that the City’s negligence or willful misconduct was the sole cause of claimant’s damages.

c. Grantee will defend any and all Claims which may be brought or threatened against the City and will pay on behalf of the City any expenses incurred by reason of such Claims including, but not limited

to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of the City shall be in addition to any other legal remedies available to the City and shall not be considered the City's exclusive remedy.

d. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Grantee under the terms of this indemnification obligation. The Grantee shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

e. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

7. **REPORTS, MONITORING AND EVALUATION.** Grantee agrees to cooperate fully with the City to evaluate and monitor the requirements and performance of the work and the developments funded in whole or part by the Grant. Grantee agrees to provide such information and reports, oral or written, as may reasonably be required or requested during the completion of construction work and for five additional years on matters relating to the use of the Grant, performance, compliance and evaluation of the use of the Grant. Grantee shall be responsible for all public-facing reports published on the City's website, per City Council directive, if any.

8. **FINANCES, AUDITS, AND INSPECTIONS.** Grantee shall supply documentation of Grant expenditures to the City upon request. Grantee agrees to securely maintain records regarding the expenditures of Millage funds for a period of five years after completion of the work for which the funds are used. Grantee shall permit examination of these records by the City upon request. The City may, at a reasonable time after giving reasonable notice, cause an audit of the records of the Grantee. Grantee agrees to complete and submit to the City annual audited financial statements and a management letter prepared by an independent auditing firm for the Grantee upon request. After giving reasonable notice to the Grantee, the City may review any of the Grantee's internal records, reports or insurance policies pertaining to this Agreement.

9. **NONDISCRIMINATION.** Grantee agrees to comply, and to require any subcontractors to comply, with the nondiscrimination provisions of MCL 37.2209 as well as the provisions of the federal Immigration Reform and Control Act of 1986. Grantee further agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and treated during employment in a manner which provides equal employment opportunity.

10. **LIVING WAGE.** If a subcontractor of Grantee is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code, then the Grantee agrees to require subcontractor's compliance with the living wage provisions of Chapter 23 of the Ann Arbor City Code. Grantee agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

11. **CONFLICT OF INTEREST.** No employee, officer or elected or appointed official of the City and no immediate relative (spouse, parent, sibling, or child) of any such person, has or shall have any financial interest in this Agreement. Except for salaries and expenses which may be paid with funds provided under this Agreement, no employee, officer or director of the Grantee and no immediate relative (spouse, parent, sibling or child) of any such person has or shall have any financial interest in this Agreement.

12. **PROCUREMENT.** Grantee shall be responsible for procurement, under their own procurement rules and regulations, and in compliance with all state and federal laws and regulations, of all goods and services required for the construction, administration, and maintenance of developments for which Grant funds are used.

13. **SUSPENSION/TERMINATION.** If Grantee fails to comply with the terms of this Agreement, the City may declare this Agreement suspended or terminated. Thereafter, the City shall have no obligation to provide further funds to the Grantee. The termination shall not relieve the Grantee of its obligations to prepare or preserve its records and to make them available for audit or inspection. The City shall provide reasonable notice to the Grantee indicating the reasons for its actions before suspension or termination.

14. **SEVERABILITY OF PROVISIONS.** Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any Party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other Parties or other circumstances.

15. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The Parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The Parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

16. **ASSIGNS AND SUCCESSORS.** This contract is binding on the City and Grantee, their successors and assigns. The Parties agree they will not assign or transfer their interest in this contract without the written consent of the other Party.

17. **EXTENT OF AGREEMENT.** This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and Grantee with respect to the subject matter of the Agreement and it supersedes all prior representations, negotiations, agreements or understandings whether written or oral. Neither Party has relied on any prior representations, of any kind or nature, in entering into this Agreement. This Agreement may be altered, amended or modified only by written amendment signed by the Grantee and the City.

18. **NO AUTHORITY TO BIND CITY TO CONTRACTS:** Grantee lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter.

19. **SIGNATURES:** The Parties agree that signatures on this Agreement may be delivered electronically or by facsimile in lieu of a physical signature and agree to treat electronic or facsimile signatures as binding. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

Signatures appear on the following pages.

FOR THE CITY OF ANN ARBOR

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

This ____ day of _____, 2026

Approved as to substance:

By _____
Milton Dohoney Jr., City Administrator

By _____
Marti Praschan, Chief Financial Officer

Approved as to form and content:

By _____
Atleen Kaur, City Attorney

FOR THE ANN ARBOR HOUSING DEVELOPMENT CORPORATION

By: _____
Jennifer Hall
Executive Director, Ann Arbor Housing Commission, Its Sole Member