

GRANT AGREEMENT

In consideration of the mutual promises contained in this Agreement, the ANN ARBOR–YPSILANTI LOCAL DEVELOPMENT FINANCE AUTHORITY, 301 E. Huron Street, Ann Arbor, Michigan 48104 (hereinafter “Grantor”), and the CITY OF ANN ARBOR, 301 E. Huron Street, Ann Arbor, Michigan 48104 (hereinafter “Grantee”), agree as follows this _____ day of _____, 20____:

1. Background. Grantor, in support and furtherance of its objectives of implementing Smart City technologies and enabling the creation and expansion of technology companies and employment within its jurisdiction, intends to make grants to designated recipients to further these objectives, and Grantee has applied for such a grant to install conduit, fiber, and related tech infrastructure within Grantor’s Technology Park (a copy of Grantee’s application is attached as Exhibit A). Grantee intends to use the grant funds to contract with third parties to fulfill its obligations below. Grantor approves this application and awards Grantee up to \$5,000,000 but no less than \$3,500,000, to pay “Approved Project Costs” as defined herein. “Approved Project Costs” are any and all costs that Grantee incurs in furtherance of the project for which Grantor’s appointed Project Manager has given advanced, written approval. d This Agreement further sets forth the obligations of the parties regarding said project and Grant.

2. Obligations of Grantee.

a. Grantee shall timely submit to Grantor’s Project Manager all Grantee contracts that it intends to enter with a third party, and that it intends to claim as Approved Project Costs under this Agreement. Grantee shall not execute such contract(s) unless and until Grantor’s Project Manager gives written approval that such contract’s costs constitute Approved Project Costs under this Agreement. All contracts that the Grantee intends to claim as an “Approved

Project Cost” shall include the following language on the signature page: “This Agreement constitutes an Approved Project Cost pursuant to the Grant Agreement between the City of Ann Arbor and the Ann Arbor-Ypsilanti Local Development Finance Authority (“LDFA”), dated _____”, and shall be signed by the Project Manager if so approved.

b. Grantee will provide preliminary design and engineering for the project within one year from the date of this Agreement.

c. After approval by Grantor of preliminary design and engineering, the project will be completed by Grantee within the next two to three years pursuant to a schedule mutually agreed upon by the parties.

d. Grantee will provide such periodic reports regarding the progress of its design, engineering, and construction work as may be reasonably required by Grantor.

e. Grantee shall: (1) initially pay all Approved Project Costs, presently estimated to be approximately \$1,000,000 for the design and engineering phase, with a total cost of between \$3,500,000 and \$5,000,000; (2) request reimbursement for such Approved Project Cost payments from Grantor after such initial payment; and (3) be the owner of the facilities constructed pursuant to the project.

3. Obligations of Grantor

a. Grantor hereby appoints _____ as the Project Manager for purposes of this Agreement and authorizes him/her to bind Grantor to pay all Approved Project Costs from the grant funds. Such Project Manager shall timely review all of the contracts and costs that Grantee submits to be approved as Approved Project Costs.

b. Grantor will provide timely review of the design and construction of the project.

c. Grantor shall reimburse Grantee for all Approved Project Costs within 30 days of Grantee incurring any portion of such cost and submitting the cost for reimbursement to Grantor. Grantor acknowledges that as long as the cost was incurred as an Approved Project Cost, Grantor must timely reimburse Grantee.

4. Insurance and Indemnification. Grantee will obtain liability insurance in an amount satisfactory to Grantor covering Grantee's activities in regard to the project and naming Grantor as an additional insured, and, to the extent not limited by applicable law, will indemnify and hold Grantor harmless from liability for any damage to person or property resulting from Grantee's actions in regard to the project. Any contractor engaged by Grantee in regard to the project shall be required by Grantee to obtain comparable insurance and to similarly indemnify Grantor.

5. Notices. Any notices or other communications by Grantee to Grantor shall be sent to: _____.

Any notices or other communications by Grantor to Grantee shall be sent to: the City of Ann Arbor, ATTN: Chief Financial Officer, 301 East Huron Street, Ann Arbor, MI 48104.

6. Venue and Choice of Law. Any litigation arising from this Agreement shall be brought in the Washtenaw County Circuit Court, and shall be governed by the law of Michigan.

7. Amendments. Any amendment to this Agreement shall be in writing and signed by the parties authorized representatives.

8. Authority. Any individual executing this Agreement in behalf of a party warrants that he or she has been duly authorized to do so.

9. Electronic Transactions. Grantor and Grantee agree that signatures on this Agreement may be delivered electronically in lieu of an original signature and agree to treat electronic signatures as original signatures that bind them to this Agreement.

This Agreement may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

10. The individuals executing this Agreement represent and warrant that they have authority to so sign and to bind their respective party.

**ANN ARBOR-YPSILANTI LOCAL
DEVELOPMENT FINANCE AUTHORITY**

CITY OF ANN ARBOR

By: _____

By: _____

Its: _____

Christopher Taylor, Mayor

Date: _____

By _____
Jacqueline Beaudry, City Clerk

DATE: _____

By _____
Howard S. Lazarus, City Administrator

Approved as to substance

Tom Crawford, CFO

Approved as to form and content

Stephen K. Postema, City Attorney

EXHIBIT A – GRANTEE’S GRANT APPLICATION