AGENDA FOR THE COMMITTEE OF THE WHOLE MEETING
CITY OF PORTAGE
JUNE 24, 2025

Committee of the Whole Work Session of June 24, 2025.

4:00 p.m. Call to Order.

Roll Call.

A. Discussion on Portage Community Land Trust & Stanwood Crossings Restrictions and Covenants

1. Review of the following:

    1. Portage Community Land Trust Operating Agreement,
    2. Stanwood Crossings Declaration of Easements and Restrictive Covenants

2. Comparison list of ordinance variations - Information Only

B. Summary of Discussion and Next Steps.

Petitions and Statements of Citizens (3 mins. per speaker).

Adjournment.

TO: Honorable Mayor and City Council

FROM: Pat McGinnis, City Manager

SUBJECT: Portage Community Land Trust Operating Agreement and Stanwood Crossings Declaration of Easements and Restrictive Covenants

SUPPORTING PERSONNEL: Peter Dame, Chief Development Officer
Anita Johnson, Housing Resource Specialist
Jonathon Hallberg, Deputy Director of Economic Development

ACTION RECOMMENDED: Review of the following:

1. Portage Community Land Trust Operating Agreement,
2. Stanwood Crossings Declaration of Easements and Restrictive Covenants

The City of Portage is constructing 42 single-family homes on 14 acres of city-owned land along Portage Road between Woodbine and Stanley Avenues, for a workforce housing development known as Stanwood Crossings. These homes will be sold to individuals with an income between 80% and 120% of the Area Median Income (AMI). This range of home buyers and type of home development is also known as "attainable" or "workforce" housing, as they are intended to provide homeownership opportunities for individuals who work in typical jobs in the Portage community. The land was purchased, and the project is being pursued to further the goals of the 2022 Attainable Housing Plan adopted by City Council.

Operating Agreement

To preserve the affordability of Stanwood Crossings in perpetuity and future attainable and affordable housing, the City has established the Portage Community Land Trust (PCLT) as a Limited Liability Company. The Operating Agreement for the Portage Community Land Trust designates the City of Portage as the "Company" that formed the LLC, which is entering into the agreement. It also designates the City as the "Member" authorized to appoint and replace Manager(s) based on the needs of the PCLT. The "Company" and the "Member" are the two parties executing the Operating Agreement.

The Operating Agreement includes articles that outline the PCLT's organizational structure; the rights and responsibilities of the Member; management standards of the PCLT; indemnification provisions; how books, records, and accounting are handled; the reasons and methods by which the PCLT may be dissolved; and miscellaneous provisions. A $100 capital contribution shall be made to the PCLT through the Operating Agreement, which is available in the Community Development budget.

Declaration of Easements and Restrictive Covenants

Under the Community Land Trust model, the City divides its property into individual parcels for home construction. The City sells each home to an income-qualified home buyer, while the corresponding parcel is deeded to the PCLT. With these two transactions, the PCLT and the home buyer sign a ground lease for the parcel. The Declaration of Easements and Restrictive Covenants outlines requirements that the PCLT must adhere to and enforce at Stanwood Crossings, including its operational and leasing responsibilities. Only the "Member" of the PCLT may allow variation from a condition, covenant, or standard in the Declaration.

The Declaration contains design and maintenance standards, provisions for administering and overseeing permanent easements, enforcement mechanisms available to the PCLT, and applicable definitions.

Together, the Operating Agreement and the Declaration form the foundational documents that define and guide the PCLT in managing Stanwood Crossings. Under the operating agreement, as the member, the Council is determines the managers of the CLT. After the prior Council discussion, draft clarifications have been added to the proposed Operating Agreement. Also, the initial manager is now recommended to be the named as the current City Manager. The Manager, who has the ability to designate City staff or contractors to assist in the initial stages, will manage the operation of the PCLT and make other decisions. Until the Council names any additional or different managers, control of the PCLT rests with the city.

Therefore, it is recommended that the City Council pass a resolution that approves the Portage Community Land Trust Operating Agreement, designates the City Manager as the Authorized Signer for the Portage Community Land Trust, LLC and as the initial manager, approves the Stanwood Crossings Declaration of Easements and Restrictive Covenants, and directs the City Manager to execute all documents related to this action on behalf of the city.

FUNDING: N/A

Attachments:

1. Resolution to Approve CLT Documents and Appoint City Manager Authorized Signer
2. Operating Agreement (Portage Community Land Trust LLC)
3. Stanwood Crossings Declaration of Restrictive Covenants
4. Stanwood Crossings PCLT Supplemental Materials for Council 2025.05.27
5. Operating Agreement (Portage Community Land Trust LLC) 6.16.25 MARKUPv.2

CITY OF PORTAGE, KALAMAZOO COUNTY

RESOLUTION ADOPTING AND APPROVING THE PORTAGE COMMUNITY LAND TRUST OPERATING AGREEMENT, APPROVING THE DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS FOR STANWOOD CROSSINGS

At a regular meeting of the City Council of Portage, Kalamazoo County, Michigan, held at the City Hall, City Chambers, 7900 South Westnedge Avenue, Portage MI 49002 on the 27th day of May 2025, at 6:00 p.m.

PRESENT: ____

ABSENT: ____

Resolution offered by Councilmember: ______________________________________

Seconded by Councilmember: ____

WHEREAS, the City is the sole member and manager of Portage Community Land Trust ("PCLT"), a Michigan limited liability company; and

WHEREAS, the City wishes to continue its support of the PCLT, specifically the development of a 42-home workforce community land trust housing development on 14 acres of City-owned land along Portage Road between Woodbine and Stanley Avenues, which development will be known as Stanwood Crossings; and

WHEREAS, the City has been presented with a proposed PCLT Operating Agreement and a proposed Declaration of Easements and Restrictive Covenants for Stanwood Crossings; and

WHEREAS, the City wishes to approve and authorize the City's and the PCLT's execution of the PCLT Operating Agreement and to approve and authorize the City's and the PCLT's execution of the Declaration of Easements and Restrictive Covenants, and to designate an Authorized Signer for the PCLT; and

WHEREAS, the City wishes to ratify and affirm prior actions taken related to Stanwood Crossings;

NOW, THEREFORE BE IT RESOLVED THAT:

1. The City hereby adopts and approves the execution of the PCLT Operating Agreement and approves the Declaration of Easements and Restrictive Covenants and its subsequent recording with the Register of Deeds, and

2. Pat McGinnis, the Portage City Manager, or his successor(s) in office, is authorized, on behalf of the PCLT, at any time after adoption of this Resolution and without further action by, or authority, or direction from the City, to execute the PCLT Operating Agreement, and to execute and record the Declaration of Easements and Restrictive Covenants, and

3. All prior actions, related to the foregoing, taken on behalf of the City and the PCLT are hereby ratified and affirmed by the City.

AYES:

NAYES:

ABSTAINED :

RESOLUTION DECLARED ADOPTED.

CERTIFICATION

STATE OF MICHIGAN)
)
CITY OF PORTAGE)

I, the undersigned, the fully qualified and acting Clerk of the City of Portage, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of Portage at a regular meeting held on this _____ day of _______ 2025, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this _____ day of ______ 2025.

____
Erica Eklov, City Clerk

Timothy J. Orlebeke, of Orlebeke Mackraz PC, Special Counsel to the City of Portage, drafted the foregoing Resolutions.

OPERATING AGREEMENT
for
PORTAGE COMMUNITY LAND TRUST LLC

THIS OPERATING AGREEMENT ("Agreement") is made as of the _____ day of _____________, 2025, by the City of Portage, a Michigan municipal home rule corporation ("Member").

ARTICLE I
ORGANIZATION

1.1 Formation. The Company has been organized as a Michigan Limited Liability Company under and pursuant to the Michigan Limited Liability Company Act, being Act No. 23, Public Acts of 1993, ("Act") by the filing of Articles of Organization ("Articles") with the Department of Licensing and Regulatory Affairs of the State of Michigan as required by the Act.

1.2 Name. The name of the Company shall be PORTAGE COMMUNITY LAND TRUST LLC. The Company may also conduct its business under one or more assumed names.

1.3 Purposes. The purposes and programs of the Company shall include the creation and long-term preservation of affordable new housing and/or the rehabilitation and preservation of existing housing stock for the purpose of providing good quality affordable housing for purchase by households with earned income that is otherwise insufficient to purchase equivalent housing in reasonable proximity to their workplace. A related and equally important goal is to preserve the affordability of the housing created by constructing or rehabilitating housing on land owned by the Company and which is leased to each homebuyer using a ground lease that contains long-term affordability provisions. The Company's programs may also include combating community deterioration in economically disadvantaged neighborhoods and communities by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods, by promoting economic opportunities for low- and moderate-income residents of these neighborhoods and communities, by making land available for projects and activities that improve the quality of life in these neighborhoods and communities, and by assisting residents of these neighborhoods and communities in improving the safety and well-being of their community.

1.4 Duration. The Company shall continue in existence perpetually unless it shall be sooner dissolved, and its affairs wound up in accordance with the Act or this Operating Agreement.

1.5 Registered Office and Resident Agent. The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles or any amendment thereof. The Registered Office and/or Resident Agent may be changed from time to time.

1.6 Legal Status of Company. The Member has formed the Company as a limited liability company under and pursuant to the Act. The operations of the Company shall be treated for federal tax purposes as the operations of the Member.

ARTICLE II
MEMBER RIGHTS AND RESPONSIBILITIES

2.1 Appointment of Initial Manager(s). The Member shall appoint (and may remove at any time for any or no reason) one or more managers ("**Managers**") to manage the business of the Company, and the Managers shall have all powers necessary or advisable to carry out the business of the Company. The Managers may appoint, employ, or otherwise contract with any persons for the transaction of the business of the Company or the performance of services for or on behalf of the Company, and the Managers may delegate to any person (who may be designated an officer of the Company) any authority to act on behalf of the Company as the Managers may from time to time deem appropriate. The initial Manager of the Company shall be the City of Portage, a Michigan municipal home rule corporation.

2.2 Appointment of Additional Manager(s). The Member shall have the right to determine, from time to time, changes in the number and qualifications of any Manager, to appoint additional Manager(s), and to establish new procedures for the appointment of some or all of the Manager(s). After the Company has achieved operational stability, as determined in the discretion of the Member, the Member may expand the Board to represent the interests of CLT homeowners and others whose expertise will, in the Member's discretion, likely enhance the prospects for the Corporation's long-term success. It may add, for example, members of key stakeholder groups such as lenders and funders, other housing developers or designers, residents of the Company's service area(s), and CLT homeowners.

2.3 Powers Under the Act. The Member shall have all other rights and responsibilities that arise under or pursuant to the Act.

ARTICLE III
MANAGEMENT

3.1 Management Vested With Manager(s). The Company shall be managed by the Manager(s), who shall exercise full and exclusive control over the affairs of the Company, subject, however, to any limitations on their authority set forth in this Operating Agreement. The Manager(s) shall be under a fiduciary duty to conduct and manage the affairs of the Company in a prudent, businesslike and lawful manner and shall devote such part of its time to the affairs of the Company as shall be deemed necessary and appropriate to pursue the business and carry out the purposes of the Company as contemplated in this Operating Agreement. Approval by the Manager(s) then serving shall be required to authorize any action on the part of the Company. Anyone of the Manager(s) shall be empowered to execute all agreements, contracts, loan documents and such other documents entered into by the Company. In the event there is more than one Manager at any time, any action required or permitted to be taken at a meeting of the Managing Member may be taken by vote without a meeting or prior notice. The vote must be in writing, set forth the action so taken and be signed by the Manager having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Manager(s) entitled to vote on the action were present and voted.

3.2 Standard of Care Liability. The Manager(s) shall not be liable for monetary damages to the Company for any breach of any such management duties, and the Company shall indemnify the Manager(s) from and against any and all losses, expenses, claims and demands sustained to the fullest extent permitted by law. Notwithstanding the immediately preceding sentence, the Company shall not indemnify a Member, Manager, employee or agent for any of the following:

(i) The receipt of a financial benefit to which the Member or Manager is not entitled;

(ii) Liability under Section 308 of the Act; or

(iii) A knowing violation of law. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in this paragraph shall be paid promptly by the Company in advance of the final disposition of the action, suit, or proceeding, or upon receipt of an undertaking by or on behalf of the indemnitee to repay the expenses if it is ultimately determined that the indemnitee is not entitled to be indemnified by the Company. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured. If an indemnitee is entitled to indemnification under this paragraph for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the indemnitee is entitled to be indemnified.

ARTICLE IV
MEMBER AND MANAGER EXCULPATION OF LIABILITY; INDEMNIFICATION

4.1 Exculpation of Liability. Except as otherwise provided in this Agreement or by law, a person who is a Manager and/or Member shall not be liable for the acts, debts or liabilities of the Company.

4.2 Indemnification. Except as otherwise provided in this Article, the Company shall indemnify and defend the Members and the Manager of the Company, and may indemnify any officer, employee or agent of the Company or the Members or the Manager from and against any and all losses, expenses, claims and demands sustained to the fullest extent permitted by law.

4.3 Conflicts of Interest. A Member or the Manager does not violate a duty or obligation to the Company merely because the Member's or Manager's conduct furthers the Member's or Manager's own interests. A Member or the Manager may lend money to and transact any other business with the Company, including any transaction connected with the conduct or winding up of the Company. The rights and obligations of a Member or Manager who lends money to or transacts any business with the Company are the same as those of a person who is not a Member or Manager, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member or Manager has a direct or indirect interest in the transaction if the transaction is within a reasonable range of fairness to the Company.

ARTICLE V
BOOKS, RECORDS AND ACCOUNTING

5.1 In exchange for the Member's interest, the Member shall contribute to the capital of the Company, the cash and/or property set forth in the initial books and records of the Company. The Member shall have no obligation to make any further capital contributions to the Company. Any additional capital contributions must be so designated in writing by the Member and the Company. Any funds contributed to or advances made on behalf of the Company by the Member that are not designated as capital contributions shall be loans payable by the Company to the Member on demand together with interest at the prime rate from the date of the contribution or advance until repaid in full. The Member shall not be paid interest on any capital contribution.

5.2 The operations of the Company shall be treated for federal tax purposes as the operations of the Member.

5.3 The fiscal year of the Company shall be the fiscal year of the Member. The books and records of the Company shall be maintained in accordance with good accounting practices.

5.4 Real and personal property owned by the Company shall be held and conveyed in the Company's name. Funds of the Company shall be deposited in the name of the Company with the financial institutions and in the accounts determined by the Manager, subject to authorized signatures that the Manager may determine.

ARTICLE VI
DISSOLUTION AND WINDING UP; CONTINUATION OF BUSINESS

6.1 <u>Dissolution.</u> The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events:

(a) at any time specified in the Articles or this Operating Agreement;

(b) upon the happening of any event specified in the Articles or this Operating Agreement;

(c) by consent of a majority in interest of the Sharing Ratios of the Members;

(d) upon the withdrawal, expulsion, disability, bankruptcy, or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company; unless within ninety (90) days after the event causing dissolution, a vote of the Members owning a majority interest in the Sharing Ratios pursuant to Paragraph 6.2 consent to continue the business of the Company, or

(e) upon the entry of a decree of judicial dissolution. In the event the Company is to continue pursuant to Paragraph 9.l(d) herein, the successor in interest of the Member who has died, withdrawn, dissolved, or become disabled or bankrupt, or who incurs any other event that otherwise would cause termination of membership in the Company, shall remain a Member; provided, however, at the election of the majority interest of the Sharing Ratios (excluding the successor Member's Sharing Ratio interest), the Company may purchase the successor Member's interest in the Company at a value as set forth in Paragraph 3.3(b) above and on the same terms and conditions as set forth in Paragraph 3.3(b) above except the valuation date shall be the date of the exercise of the option. The option to purchase the successor Member's interest must be exercised within two (2) years from the date of the vote to continue the business of the Company.

6.2 Winding Up. Upon dissolution, the Company shall cease carrying on its business and affairs and shall commence the winding up of the Company's business and affairs and complete the winding up as soon as practicable. Upon the winding up of the Company, the assets of the Company shall be distributed as follows:

Following the payment of all debts and liabilities of the Company (other than loans or advances that have been made by any of the Members) and all expenses of liquidation, and subject to the right of the Members to set up cash reserves as they may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, the proceeds of the liquidation and any other funds of the Company shall be distributed in the following order of priority:

(a) First, to the repayment of any loans or advances that may have been made by any of the Members to the Company, but if the amount available for repayment of such loans or advances shall be insufficient, then to the Members on account thereof in proportion to their Sharing Ratios; and

(b) Then, after allocation of all income, profits, losses and deductions in accordance with Article IV hereof and after adjustment to the Capital Accounts required by Treasury Regulation §1.704-l(b), to the Members in payment of the amount of their Capital Accounts, but if the amount available for such repayment shall be insufficient, then to the Members on account thereof in proportion to their respective Capital Accounts.

(c) Then to each of the Members on account of its Capital contributions paid to or on behalf of the Company reduced (but not below zero) by a total amount of all prior cash distribution made to him pursuant to this Operating Agreement, including the amount previously distributed to him under (b) above;

(d) Any and all remaining assets or proceeds shall be distributed to the Members in the same ratio as their Sharing Ratios.

Each Member shall look solely to the Company property for all distributions with respect to the Company and its Capital contributions thereto and its share of income, gains, losses and deductions thereof, and shall have no recourse against any Members therefore. No Member shall have any rights to demand or receive property other than cash upon distribution and liquidation of the Company, but the Members may, in their discretion, distribute property other than cash to a Member.

6.3 Restriction on Withdrawal From Company. No Member may withdraw from the membership of the Company without the consent of those remaining Members holding a majority of the remaining interest in the Sharing Ratio of the Company, and any Member who does withdraw without such consent shall be liable in damages to the Company and to the other Members with any other relief that may be granted in law or equity.

ARTICLE VII
MISCELLANEOUS PROVISIONS

7.1 Terms. Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm, entity, or corporation may in the context require.

7.2 Counterparts. This Operating Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which will constitute one and the same.

7.3 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties hereto and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

7.4 Severability. The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this

Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

7.5 Article Headings. The Article headings contained in this Operating Agreement have been inserted only as a matter of convenience and for reference and in no way shall be construed to define, limit or describe the scope or intent of any provision

7.6 Amendment. This Operating Agreement may be amended or revoked at any time by a written agreement executed by Members holding a majority interest in the Sharing Ration of the Company. No change or modification to this Operating Agreement shall be valid unless in writing and signed.

7.7 Notices. Any notice permitted or required under this Operating Agreement will be deemed to have been given when deposited in the United States mail, postage paid, addressed to the party at the address reflected on the records of the Company, or when delivered in person or by courier or by facsimile transmission, or by electronic mail transmission, addressed to the email address provided by the party to be notified.

7.8 Binding Effect. Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

7.9 Governing Law. This Operating Agreement is being executed and delivered in the State of Michigan and shall be governed by, construed and enforced in accordance with the laws of the State of Michigan.

[Signatures Appear on the Next Page]

IN WITNESS WHEREOF, the parties hereto make and execute this Operating Agreement as of the date and year first above written.

COMPANY:

PORTAGE COMMUNITY LAND TRUST LLC
a Michigan limited liability company

By: City of Portage,
a Michigan municipal home rule corporation
Its: Manager

By: ____________________________

Its: ____________________________

MEMBER:

CITY OF PORTAGE,
a Michigan municipal home rule corporation

By: ____________________________

Its: ____________________________

APPROVED AS TO FORM

Timothy J. Orlebeke
Orlebeke Mackraz PC
Special Counsel to the City of Portage

EXHIBIT A

Member Capital Contribution and Sharing Ratio

Member	Capital Contributions	Sharing Ratio
City of Portage 7900 South Westnedge Avenue Portage, MI 49002	$100.00	100%

STANWOOD CROSSINGS

DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS

STANWOOD CROSSINGS

DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS

The City of Portage, a Michigan municipal corporation, hereby establishes, declares and imposes the easements and restrictive covenants set forth herein in accordance with the following terms and conditions (hereafter the "Declaration").

Background

The City of Portage owns and the Portage Community Land Trust ("PCLT") is developing the land described in attached Exhibit "A" (hereafter the "Property"). Each individual parcel created on the Property (each, a "Parcel ") will be developed as single-family residence. Owners will purchase the improvements located on a Parcel and ground lease each Parcel's land from the PCLT. This Declaration was developed to preserve, protect and enhance the quality and aesthetics of Stanwood Crossings.

All Parcels are subject to this Declaration and all improvements, additions, and/or deletions on a Parcel including but not limited to the home, grading, landscaping, trees, natural vegetation, fencing, pools, play structures, etc., and any structure or improvements, colors or materials, alterations, additions, and modifications that are visible from any adjoining property, neighboring Parcels, roads, and other areas of the Property must be developed, used and maintained in accordance with this Declaration.

NOW, THEREFORE, the City of Portage desires to create certain conditions, covenants and restrictions to govern and control the use, occupancy, ownership and title of any or all of Stanwood Crossings, and it does hereby impose upon and subject the title, use, occupancy, and ownership of Stanwood Crossings, to the conditions, covenants, and restrictions hereinafter set forth. These conditions, covenants and restrictions shall be permanent and shall run with the land.

ARTICLE 1

Portage Community Land Trust LLC (PCLT)

The City of Portage appoints the PCLT as its Developer of the Property and ratifies and confirms the appointment of the Developer with respect to services rendered to date in planning Stanwood Crossings. The PCLT is hereby authorized to perform the duties set forth in this Declaration.

1.1 The PCLT shall interpret, enforce, and govern the use and development of Stanwood Crossings by this Declaration. The PCLT shall also interpret and enforce the provisions in the Ground Lease that each homebuyer in Stanwood Crossings will sign.

1.2 Function of the PCLT: Approvals granted by the PCLT will be in writing and signed by a Manager of PCLT. The PCLT shall have discretion to allow variations from any of the conditions, covenants and standards contained in this Declaration by written approval of its Member.

1.3 Submittals to the PCLT: Any requests for approval required by this Declaration must be submitted in writing to the Portage Community Land Trust regarding Stanwood Crossings, located at 7900 Westnedge Ave., Portage, MI 49002. Requests that are covered by the Ground Lease will be processed as provided in that document. All such requests for approval shall include sufficient information, as determined by the PCLT, to permit the PCLT to make an informed decision. By way of example, a request will typically require drawings and specifications of the proposed project as well as a construction schedule.

1.4. Response to Requests: The PCLT will respond to all properly submitted requests within 15 business days of receipt of all necessary documents, plans, and specifications. The PCLT shall have the right to extend its deliberation period by an additional fifteen (15) business days by notice to the applicant in writing. In the event the PCLT fails to approve or disapprove such plans within original or extended review period then approval will be deemed to have been granted, provided that the approved action must conform to all applicable codes and laws and must generally conform to the Stanwood Crossings design and construction. The PCLT may publish Standards from time to time, setting forth the criteria it will consider in making its decisions. If not addressed in published PCLT Standards, the approval or refusal by the PCLT to grant any of the approvals referred to herein may be based upon any ground including purely aesthetic considerations, which in the sole and unlimited discretion of the PCLT shall be sufficient. In this respect, the PCLT may consider conformity and harmony of design with existing structures, the habitat of the area and its orientation and aesthetic appeal as viewed from the street and neighboring Parcels.

ARTICLE 2

Design and Maintenance Standards

2.1 General. The general Design and Maintenance Standards that apply to each Parcel are as follows: **Each** Owner shall be responsible for the maintenance, repair and replacement of their Parcel, including without limitation, all residences, structures, improvements, grounds and landscaping erected, placed on or located within their Parcel. The visible exterior appearance of the residence, and all structures and improvements situated on the Parcel (including without limitation lawns, landscaping, walks, decks, patios and driveways), shall be subject to the terms of any PCLT approvals and reasonable maintenance standards. While it is intended that each Owner will be solely responsible for the performance and cost of the maintenance, repair and replacement of the residence and all other appurtenances and improvements constructed or otherwise located within their Parcel, the PCLT retains the right to remedy the situation if an Owner fails to properly maintain the exterior of their residence, or other portions of the Parcel, in a proper manner and in accordance with the foregoing standards. If an Owner fails to comply with the foregoing standards, or any of them, then the PCLT shall have the right, but not the obligation, to undertake such exterior maintenance or repair activities as it may deem appropriate (including without limitation painting or other decoration, lawn mowing, landscape maintenance, tree trimming and other items deemed to keep Parcels in a neat and attractive condition). Failure of the PCLT to take any such action shall not be deemed a waiver of the PCLT's right to take any such action at a future time. All costs incurred by the PCLT in performing any responsibilities that are required in the first instance to be borne by the Owner shall be charged to that Owner. A lien for nonpayment of any such charges shall attach to the Owner's Parcel and may be enforced by the use of all means available to the PCLT by law for the collection of regular assessments, including without limitation legal action, foreclosure of the lien securing payment, and the imposition of fines.

2.2 **Specific Design Issues**. The General Design and Maintenance Standards apply to all the following specific design issues, which are included to provide guidance and do not override or replace the General Design and Maintenance Standards.

a. All the Parcels in the Property shall be used only as single-family residences for use by Members of the household

b. No other buildings shall be erected, built, placed, altered, or permitted to remain on any Parcel other than the one single-family dwelling not to exceed 2 $^1/_2$ stories in height and an attached or unattached garage, unless otherwise approved by PCLT.

c. No garage on any Parcel shall contain less than two stalls or more than three stalls and no more than one unattached garage shall be located on the Property, unless otherwise approved by PCLT.

d. All driveways on the Property must be constructed of asphalt or concrete, unless otherwise approved by PCLT. With the exception of front sidewalks in the public right of way, no concrete or asphalt drives or paths shall be installed within five feet of a side or rear lot line.

e. All plans and elevations for any structures or improvements that require municipal permits or inspections or which have footings, including but not limited to fences, storage sheds, other outbuildings, decks, patios, fences playsets, swimming pools, and any other alteration of the building(s) on any Parcel shall first be presented to PCLT for written approval before commencement of any construction. Fences other than split rail, white vinyl picket or privacy, or black aluminum shall not be considered for installation.

f. All construction above grade line shall be of brick, brick veneer, stone, or wood, unless otherwise approved by PCLT. Vinyl siding shall be permitted.

g. All landscape plans for a Parcel shall be submitted to PCLT for approval. Certain plantings are recommended and are listed on attached Exhibit B.

h. The exterior of any structure or improvement being constructed on Parcel shall not remain incomplete for longer than eight months from the date on which construction of the improvement is commenced. All construction shall be diligently pursued to completion, and the completion shall occur before occupancy.

i. Any structure on a Parcel that is destroyed, in whole or in part, by fire, windstorm, or by any other cause must either be rebuilt or all debris removed, and the lot must be restored to a sightly condition with reasonable promptness.

j. No trailer, basement, tent, shack, garage, or other outbuilding erected at any time on the undeveloped property shall be used as a residence, either temporarily or permanently. No structure of a temporary character on a Parcel shall be used as a residence.

k. No commercial vehicles, semitrailers (either trailer or tractors, or both), or any larger trucks shall be permitted to be parked on a lot on the Property, except temporarily for pickup or delivery.

l. No trail bikes, dirt bikes, all-terrain vehicles, or snowmobiles may be operated on the Property.

m. No conduct or activity that is a nuisance as defined by a City of Portage ordinance or other applicable law shall be carried out on the Property.

n. No Parcel shall be used or maintained as a "dumping ground" for rubbish. Trash, garbage, or other waste shall not be kept on the lot except in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

o. No sign of any kind shall be displayed for public view on a Parcel, except one sign of not more than six square feet advertising a Parcel "for sale."

p. No animals shall be kept on any Parcel except animals permitted by City ordinance.

q. No exterior lighting is permitted that intrudes on any other Parcel owner's reasonable enjoyment of that Parcel.

r. No exterior changes are permitted to any building on a Parcel without PCLT approval.

s. No mechanical work on any truck, car, boat, trailer, motorcycle, ATV, RV, or other motorized vehicle is permitted outside on any Parcel, road, sidewalk, yard, or common area, except as specifically permitted by City ordinance.

t. No Owner shall alter the postal box without the consent of the PCLT. The PCLT shall be responsible for the maintenance, repair and replacement of any damaged or defective components of the Postal Box assembly.

ARTICLE 3

Easements

3.1 **Easements Created**. There shall be permanent easements in favor of the City and the PCLT over each Parcel as may be reasonable for (*a*) the installation, maintenance and repair of all utility services furnished to the Stanwood Crossings; (*b*) for future drainage or other public purposes over the back 10 feet of the rear yard of each Parcel, and (c) for the installation, maintenance, repair and replacement of any rights-of-way, walkways, bicycle paths, nature trails, and similar improvements. Any of the foregoing easements may be conveyed by PCLT without the consent of any Owner, mortgagee or other person who now or hereafter shall have any interest in any Stanwood Crossings Parcel or Parcels. All of the Owners and mortgagees of Parcels and other persons now or hereafter interested in Stanwood Crossings from time to time shall be deemed to have unanimously consented to such grants of easements or dedications and any amendments of this Declaration to reflect the foregoing easements or transfers of title. All such interested persons irrevocably appoint PCLT as agent and attorney to execute such amendments to the Declaration and all other documents necessary to effectuate the foregoing.

Public utilities shall have access to the Parcels at such times as may be reasonable for the installation, repair or maintenance of such services, and any costs to install, repair or maintain such services shall be the expense of the PCLT.

3.2 **No Ownership Rights**. The Owner of each Parcel subject to the privileges, rights and Easements shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipers, mains, valves, lines or other equipment or facilities placed on, in, over or under the Property.

ARTICLE 4

Definitions

The following terms as used in the Declaration, shall have the following meanings:

4.1 Declaration: Declaration shall mean and refer to this Declaration, together with any supplements or amendments thereto.

4.2 PCLT: PCLT shall collectively mean and refer to the Portage Community Land Trust LLC a Michigan Limited Liability Company , together with its successors, legal representatives, grantees, and assigns.

4.3 Owner: Owner shall mean and refer to the record Owner, whether one or more persons or entities, of all or any part of a Parcel which is part of Stanwood Crossings.

4.4 Stanwood Crossings: Shall mean and refer to all Parcels shown in the Site Plan for Stanwood Crossings for which these Declaration govern.

Article 5

Remedies

In order to enforce the Standards for the protection of Owners, remedies have been provided for enforcement of the Standards. If a person, firm, corporation or other entity violates or attempts to violate any provision of this Declaration, the Developer or any Parcel Owner, shall be entitled to the appropriate remedies, including but not limited to, those set forth below:

5.1 Suit for Damages: Civil proceedings may be instituted for recovery of damages against those violating or attempting to violate the Standards.

5.2 Injunctive Relief: Civil proceedings may be instituted against those violating or attempting to violate the Standards for the purpose of preventing or enjoining all or any such violations or attempted violations.

5.3 Remedies Cumulative: The remedies set forth in the Master Declaration shall be cumulative and not exclusive. If any other remedies are herein or hereafter provided, they shall be available.

5.4 Non-Waiver: The failure of Developer or Owners to enforce any Standard or any other obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to subsequent thereto.

5.5 Foreclosure: The Developer may bring an action at law against the Owner personally obligated to pay damages recoverable under the terms of this Declaration or file a lien in the same manner in which mortgages on real property may be foreclosed in Michigan. In any such foreclosure, the Owner shall be required to pay the costs and expenses of filing the notice of lien and all reasonable attorney's fees, which costs, shall be required to pay the Developer any assessments against the Parcel which become due during the period of foreclosure. The Developer shall have the right and power to bid at a foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent encumber, use and otherwise deal with the Parcel as Owner thereof. Any suit to recover money for unpaid expenses and assessment shall not be deemed to be a waiver of the lien. Upon payment of all sums secured by the lien, which has been made the subject of a recorded notice of lien, a release of notice of lien shall be executed by PCLT or its representative and recorded in the public records of Kalamazoo County, Michigan.

The City of Portage has executed this Stanwood Crossings Declaration of Easements and Restrictive Covenants on this ____ day of ____________, 2025.

CITY OF PORTAGE, a Michigan municipal corporation

By: ________________________________

Patricia M. Randall
Its: Mayor

State of Michigan)
)ss.
County of Kalamazoo)

The foregoing instrument was acknowledged before me this by Patricia M. Randall ______________________ on behalf of the City of Portage on this ___ day of _________, 2025, a Michigan Municipal Corporation, on behalf of said Michigan Municipal Corporation.

____
Notary Public, State of Michigan, County of
My commission expires
Acting in the County of Kalamazoo

[signatures continue on following page]

The PCLT hereby accepts its selection as Developer and agrees to enforce this Declaration.

PORTAGE COMMUNITY LAND TRUST LLC

By:______________________________
Its: Authorized Signer

State of Michigan)
)ss.
County of Kalamazoo)

The foregoing instrument was acknowledged before me this _____ day of _________, 2025, , a Michigan Limited Liability Company, on behalf of said Limited Liability Company.

____
Notary Public, State of Michigan, County of
My commission expires
Acting in the County of Kalamazoo

APPROVED AS TO FORM

Timothy J. Orlebeke
Orlebeke Mackraz PC
Special Counsel to the City of Portage

Drafted by and when recorded please return to:

Orlebeke Mackraz PC
Timothy J. Orlebeke
40 Ottawa Ave. NW
Suite 400
Grand Rapids, MI 49503

Exhibit A
Stanwood Crossings

Legal Description of Property

Exhibit B
Recommended Plantings

Below is a list of natural plant materials recommended for use in the landscaping at Stanwood Crossings. . These plantings were selected for their natural character, seasonal color, foliage, and hardiness to Michigan climates. In addition, many provide shelter and/or food for wildlife.

TREES

DECIDUOUS:
Northern Pin Oak
Sugar Maple
Beech
American Chestnut
Red Oak
Serviceberry
Witch Hazel
Redbud
White Dogwood
Alternate Leaf Dogwood
Ash
Crabapple
Sassafras
Paw Paw

EVERGREEN:
White Pine
Red Pine
Canadian Hemlock
Eastern Red Cedar
Douglas Fir
Concolor Fir
Spruce

SHRUBS

DECIDUOUS:
Red Osier Dogwood
Grey Dogwood
Spicebush
Quince
Black Fruit Cotoneaster
Peashrub
Wild Plum
Arrowwood Viburnum
Mariesii Viburnum
Nannyberry
Buckthorn
Sumac
Honeysuckle
Fragrant Sumac

EVERGREEN:
Bayberry
Leucothoe
Rosebay Rhododendron
Catawba Rhododendron
Michigan Holly
Firethorn

PERENNIALS:
Daylily
Black-Eyed Susan
Shasta Daisy
Purple Coneflower
Aster
Wild Lupine
Butterfly Weed
Liatris
Bluebell
Prairie Clover
Blanket Flower
Coral Bell
Foxglove
Spreading Phlox
Trillium
Lance Leaf Coreopsis
Milkweed
Red Clover
Violet
Siberian Iris
Cardinal Flower

GROUND COVER/VINES AND ORNAMENTAL GRASSES

DECIDUOUS:
Bittersweet
Climbing Rose
Virginia Creeper
Big Bluestem
Bird's Foot Sedge
Eulalia Grass
Fountain Grass
Ferns Switch Grass

EVERGREEN:
Yucca
Myrtle
Wintercreeper
Ivy

Stanwood Crossings Supplemental Materials

City staff have developed a framework of supplemental materials that will ensure the PCLT is ready to execute leases and follow a fair, equitable, and manageable process for selection of home buyers, future property improvements, and resale of housing units as they occur at Stanwood Crossings. While no action is needed by Council regarding these documents, they are included for informational purposes.

Contents

Filed by Corporations Division Administrator Filing Number: 225892165880 Date: 01/24/2025

LARA Corporations Online Filing System
Department of Licensing and Regulatory Affairs

Form Revision Date 02/2017

ARTICLES OF ORGANIZATION

For use by DOMESTIC LIMITED LIABILITY COMPANY

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned executes the following Articles:

Article I

The name of the limited liability company is:

PORTAGE COMMUNITY LAND TRUST LLC

Article II

Unless the articles of organization otherwise provide, all limited liability companies formed pursuant to 1993 PA 23 have the purpose of engaging in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan. You may provide a more specific purpose:

Article III

The duration of the limited liability company if other than perpetual is:

Article IV

The street address of the registered office of the limited liability company and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: PAT MCGINNIS
2. Street Address: 7900 SOUTH WESTNEDGE AVENUE
   Apt/Suite/Other:
   City: PORTAGE
   State: MI Zip Code: 49002

3. Registered Office Mailing Address:
   P.O. Box or Street Address: 80 OTTAWA AVE NW STE 400
   Apt/Suite/Other: 400
   City: GRAND RAPIDS
   State: MI Zip Code: 49503

Article V

(Insert any desired additional provision authorized by the Act.)

THE COMPANY WILL BE MANAGED BY A MANAGER(S).

Signed this 14th Day of January, 2025 by the organizer(s):

Signature	Title	Title if "Other" was selected
Timothy J. Orlebeke	Organizer	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act. (27)

Decline Accept

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the ARTICLES OF ORGANIZATION

for

PORTAGE COMMUNITY LAND TRUST LLC

ID Number: 803326233

received by electronic transmission on January 14, 2025 ***, is hereby endorsed.***

Filed on January 24, 2025 ***, by the Administrator.***

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, *in the City of Lansing, this 24th day of January, 2025.*

Linda Clegg

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

STANWOOD
CROSSINGS

Common Questions & Answers

STANWOOD
CROSSINGS

ABOUT THE COMMUNITY

What type of Neighborhood is Stanwood Crossings? Is this a subdivision, an HOA, or something else entirely?
Stanwood Crossings is a new concept in Portage Michigan focused on making new homes more affordable and the community is designed to be attainable for households earning 80% to 120% of the Area Median Income (AMI). Please see the income chart located at the end of this document.

Stanwood Crossings is a top-quality "Ground Lease" community, meaning residents purchase their homes and lease the land from the Portage Community Land Trust. Ground Lease homeowners have pride of ownership and the financial ability to buy, sell, and mortgage their homes. Homeowners enjoy prices that are much more affordable than other communities because they do not have to purchase the land and the original home prices are discounted from the actual construction cost. When reselling your home, the sales price will be determined by the percentage change in the AMI rate from the time of purchase compared to the time of sale.

What is a Ground Lease? And what does it include?
The Ground Lease is a document that provides for a monthly charge that covers the cost of leasing your homesite.

How much is the monthly Ground Lease payment? Could it change over time?
The initial Ground Lease at Stanwood Crossings is estimated to be $50 per month. Homeowners will sign an eighty-nine-year lease agreement. The Ground Lease may adjust over time for Portage Community Land Trust administrative cost. The lease agreement provides transparency and peace of mind regarding the Ground Lease. Homeowners are not obligated to stay for eighty-nine (89) years and can sell their homes at any time. A new lease agreement will be signed with the approved buyer.

Is there also a Homeowners Association (HOA) fee in addition to the Ground Lease?
No. There is no HOA at Stanwood Crossings.

Is Stanwood Crossings an age-restricted community?
No. Stanwood Crossings is open to households and individuals of all ages.

Is Stanwood Crossings for only first-time home buyers?
No. Stanwood Crossings is open to all purchasers who meet the community requirements.

Who will manage the property?
Stanwood Crossings will initially be managed by the City of Portage and the Portage Community Land Trust (PCLT). The City's role is to serve homeowners and ensure the safety, quality, and attractiveness of the community, thereby maximizing the value of the homes.

Will there be RV, boat, or other storage available?
Storage can be accommodated with the approval of the PCLT Manager(s) and in accordance with City Ordinances.

Will there be guest parking?
Guests can park in the driveways and on the public streets.

ABOUT THE HOMES

What are some of the benefits of owning a home in Stanwood Crossings?
As a homeowner in Stanwood Crossings, you will own a very attractive new home that is energy-efficient with a private driveway, an attached two-car garage, and plenty of yard space. These brand-new homes are built with high-quality construction materials, minimizing maintenance and upkeep. You'll be part of a vibrant "pride of ownership" community where every resident is a homeowner. Most importantly, owning a home in this innovative community is a valuable investment.

What are the homes like?
Our homes are designed for Michigan weather, featuring thoughtful elements for all four seasons. The move-in ready designs include clean, modern open floor plans, and contemporary kitchens with islands and pantries. To maximize natural light, they are designed with an abundance of windows. For comfort during Michigan winters, our homes have gas furnaces and extra insulation. All homes come with attached two-car garages, front yards and private backyards with patios, perfect for summer barbecues or outdoor time with family, friends, and pets.

What style and how large are the homes, and homesites in the community?
We offer four different floor plans: two ranch-style homes (1,206 & 1,353 square feet) with two and three bedrooms respectively, and two two-story homes (1,504 & 1,696 square feet) with three bedrooms. Homesites in the community range from 6,600 to 15,600 square feet.

How do I select a home in the community?
We will start by building 12 homes representing each of the four different floor plans. Additional homes will be built as the homes are completed and sold. We are anticipating building all 42 homes over the next 3-4 years.

Am I able to purchase any home floor plan on any homesite?
No. Different homesites have different configurations, and we have designed specific floor plans for each homesite in the community. The income qualification criteria may affect availability of specific models for any given purchaser.

When will homes be ready for move-in?
We expect to have our first homeowners to move in toward the end of 2025. We anticipate that the community will be fully occupied by 2028 but the timeline may adjust as development proceeds.

How are Stanwood Crossings 's homes built?
To provide the highest quality homes at the best value, we selected architects from Abonmarche to design the homes and AVB to build them.

How do I purchase a home at Stanwood Crossings?
Please contact us at 269.329.4510 or stanwood@portagemi.gov for additional information and preliminary application. From there, a member of the team will set up a time to review our floor plans and available upcoming homes with you. We will discuss buyer qualification requirements, including household income ranges, completing a home buyer course, and the application process. There is a $75 non-refundable fee with each application.

Questions About Financing

If I buy a home at Stanwood Crossings, how should I think about my total monthly housing cost?
Your total monthly housing cost will consist of your monthly mortgage payment (if you finance the home), plus the ground lease, insurance, property taxes on the home and land, utilities and trash pickup.

How are utilities billed?
Gas, electricity, water, sewer, internet and garbage will be directly billed to each homeowner by the utility provider the homeowner selects.

Can I rent my home at Stanwood Crossings? Can I buy a home at Stanwood Crossings for family members, employees, Airbnb guests, etc.?
No. Stanwood Crossings is strictly an owner-occupied community.

Do you offer financing?
We work closely with several local lenders who specialize in financing our homes. We can provide a list of multiple lenders that will work with you on very competitive terms. You are welcome to work with any lender of your choice.

Community Rules & Regulations

What happens if I need to move in the future after purchasing my home?
When a homeowner decides to move, they typically list their home for sale, either by engaging a local realtor or the Portage Community Land Trust. A prospective buyer will need to apply to the Portage Community Land Trust for residency at Stanwood Crossings to ensure they meet the community's financial requirements. We assess every applicant fairly, in compliance with federal Fair Housing guidelines. The selling price of your home can increase up to the same rate as the community's area median income has increased since you purchased, plus a credit for approved improvements made by the homeowner.

Landscaping

Who is going to be responsible for landscaping the yard? Will you provide landscaping maintenance services?
Basic landscaping will be completed and will be included in the home sale price. As with most home purchases, ongoing landscaping maintenance will be the responsibility of the homeowner.

Can I install my own custom landscaping?
Yes. All homes will come with basic landscaping, but you are free to make changes to your landscaping after the home has closed, as long as they adhere to our community guidelines.

Will my Homesite have an irrigation system for landscaping?
No, irrigation systems are not included in the purchase of the home, but all residents are welcome to add this feature to their home.

Area Medium Income (AMI)

The Stanwood Crossings neighborhood was designed to make new homes more affordable for households earning between 80% to 120% of the Area Median Income. The AMI chart is typically updated annually in April.

The 2025 chart below shows the total household income range in relation to the number of people living in a home. For example, a one-person household earning between $53,680 and $80,520 would qualify to live in this community. For a three-person household, they could earn between $69,640 and $103,560.

The qualification requirement is determined at the time of purchase. If an owner goes above or below the income after their closing, it will not affect their ability to stay in the community.

Area Median Income, or "AMI", is a key metric in affordable housing. AMI benchmarks are used in most federal and state housing programs and are calculated by the Federal Department of Housing and Urban Development (HUD) on an annual basis. 100% AMI is the MIDPOINT of the full range of household incomes in a geographic region, not to be confused with the AVERAGE income in a geographic region.

ANNUAL INCOME	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON		
80%	$ 53,680	$ 61,360	$ 69,040	$ 76,640	$ 82,800	MIDDLE INCOME	WORKFORCE HOUSING
100%	$ 67,100	$ 76,700	$ 86,300	$ 95,800	$ 103,500	MIDDLE INCOME	
120%	$ 80,520	$ 92,040	$ 103,560	$ 114,960	$ 124,200	MIDDLE INCOME	

STANWOOD CROSSINGS

PORTAGE A Natural Place to Move

FOR MORE INFORMATION
269.329.4510 | stanwood@portagemi.gov

PORTAGE COMMUNITY LAND TRUST

GROUND LEASE

TABLE OF CONTENTS

THIS GROUND LEASE ("Lease") is entered into this ____ day of _____________, 20___, between Portage Community Land Trust ("PCLT") and _________________("Homeowner").

RECITALS

A. The PCLT is organized exclusively for charitable purposes and public welfare purposes, including developing and preserving decent, affordable housing for low- and moderate-income people who would otherwise be unable to afford homeownership.

B. A goal of the PCLT is to preserve affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes.

C. The Leased Land described in this Lease has been acquired and is being leased by the PCLT in furtherance of this goal.

D. The Homeowner shares the purposes of the PCLT and has agreed to enter into this Lease not only to obtain the benefits of homeownership, but also to further the charitable purposes of the PCLT.

E. Homeowner and PCLT recognize the special nature of the terms of this Lease, and each of them accepts these terms, including those terms that affect the marketing and resale price of the property now being purchased by the Homeowner.

F. Homeowner and PCLT agree that the terms of this Lease further their shared goals over an extended period of time and through a succession of owners.

NOW THEREFORE, Homeowner and PCLT agree on all of the terms and conditions of this Lease as set forth below.

DEFINITIONS: Homeowner and PCLT agree on the following definitions of key terms used in this Lease.

Leased Land: The parcel of land, described in Exhibit B: LEASED LAND, which is leased to the Homeowner.

Home: The residential structure and other permanent improvements located on the Leased Land and owned by the Homeowner, including the original Home described in Exhibit C: DEED, and all permanent improvements added thereafter by Homeowner at Homeowner's expense.

Purchase Option Price*:* The maximum price the Homeowner is allowed to receive for the sale of the Home and the Homeowner's right to possess, occupy and use the Leased Land, as defined in Article 10 of this Lease.

Lease Fee*:* The monthly fee that the Homeowner pays to the PCLT for the continuing use of the Leased Land and any additional amounts that the PCLT charges to the Homeowner for reasons permitted by this Lease.

Permitted Mortgage: A mortgage or deed of trust on the Home and the Homeowner's right to possess, occupy and use the Leased Land granted to a lender by the Homeowner with the PCLT's permission. The Homeowner may not mortgage the PCLT's interest in the Leased Land, and may not grant any mortgage or deed of trust without PCLT's permission.

Event of Default: Any violation of the terms of the Lease unless it has been corrected ("cured") by Homeowner or the holder of a Permitted Mortgage in the specified period of time after a written Notice of Default has been given by PCLT.

Homeowner: The person(s) identified as Homeowner in the first paragraph of this Lease and as the Homeowner signer(s) on the signature page of this Lease. All references to Homeowner in this Lease shall be deemed to apply to all Homeowner signers.

ARTICLE 1: Homeowner's Letter of Agreement and Attorney's Letter of Acknowledgment are attached as Exhibits

HOMEOWNER'S LETTER OF AGREEMENT AND ATTORNEY'S LETTER OF ACKNOWLEDGMENT. Attached as Exhibit A, and made part of this Lease by reference, are a Letter of Agreement from the Homeowner, describing the Homeowner's understanding and acceptance of this Lease (including the parts of the Lease that affect the resale of the Home) and a Letter of Acknowledgment from the Homeowner's attorney, describing the attorney's review of the Lease with the Homeowner.

ARTICLE 2: Leasing of Rights to the Land

2.1 PCLT LEASES THE LAND TO HOMEOWNER. The PCLT hereby leases to the Homeowner, and Homeowner hereby accepts, the right to possess, occupy and use the Leased Land (described in the attached Exhibit B: LEASED LAND) in accordance with the terms of this Lease. PCLT has furnished to Homeowner a copy of the most current title report, if any, obtained by PCLT for the Leased Land, and Homeowner accepts title to the Leased Land in its condition "as is" as of the signing of this Lease.

2.2 MINERAL RIGHTS NOT LEASED TO HOMEOWNER. PCLT does not lease to Homeowner the right to remove from the Leased Land any minerals lying beneath the Leased Land's surface. Ownership of such minerals remains with the PCLT, but the PCLT shall not remove any such minerals from the Leased Land without the Homeowner's written permission.

ARTICLE 3: Term of Lease, Change of Land Owner

3.1 TERM OF LEASE IS 89 YEARS. This Lease shall remain in effect for 89 years, beginning on the _____ day of ________________, 20___, and ending on the ____ day of _________________, 21____, unless ended sooner or renewed as provided below.

3.2 HOMEOWNER CAN RENEW LEASE FOR ANOTHER 89 YEARS. Homeowner may renew this Lease for one additional period of 89 years. The PCLT may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Homeowner under the Lease. Not more than 365 nor less than 180 days before the last day of the first 89-year period, PCLT shall give Homeowner a written notice that states the date of the expiration of the first 89-year period and the conditions for renewal as set forth in the following paragraph ("Expiration Notice"). The Expiration Notice shall also describe any changes that PCLT intends to make in the Lease for the renewal period as permitted above.

The Homeowner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, the Homeowner shall give PCLT written notice stating the Homeowner's desire to renew ("Renewal Notice"); (b) this Lease shall be in effect on the last day of the original 89-year term, and (c) the Homeowner shall not be in default under this Lease or under any Permitted Mortgage on the last day of the original 89-year term.

When Homeowner has exercised the option to renew, Homeowner and PCLT shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a Memorandum of Lease as stated in Section 14.11 below. The PCLT shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

3.3 WHAT HAPPENS IF PCLT DECIDES TO SELL THE LEASED LAND. If ownership of the Leased Land is ever transferred by PCLT (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new land-owner as well as the Homeowner. If PCLT agrees to transfer the Leased Land to any person or institution other than a non-profit corporation, charitable trust, government agency or other similar institution sharing the goals described in the Recitals above, the Homeowner shall have a right of first refusal to purchase the Leased Land. The details of this right shall be as stated in the attached Exhibit E: FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Land

4.1 HOMEOWNER MAY USE THE HOME ONLY FOR RESIDENTIAL AND RELATED PURPOSES. Homeowner shall use, and allow others to use, the Home and Leased Land only for residential purposes and any activities related to residential use that are permitted by local codes and this Article 4.

4.2 HOMEOWNER MUST USE THE HOME AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW. Homeowner shall use the Home and Leased Land in a way that will not cause harm to others, create any public or private nuisance, or interfere with the rights of occupants of other properties. Homeowner shall dispose of all waste in a safe and sanitary manner and in compliance with all applicable laws and regulations. Homeowner shall maintain all parts of the Home and Leased Land in safe, sound and habitable condition, in full compliance with all laws and regulations, and in the condition that is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 HOMEOWNER IS RESPONSIBLE FOR USE BY OTHERS. Homeowner shall be responsible for the use of the Home and Leased Land by all residents and visitors and anyone else using the Leased Land with Homeowner's permission and shall make all such people aware of the restrictions on use set forth in this Lease.

4.4 HOMEOWNER MUST OCCUPY THE HOME FOR AT LEAST SIX (6) MONTHS EACH YEAR. Homeowner shall occupy the Home for at least six (6) months of each year of this Lease, and no period of non-occupancy shall be more than three (3) consecutive months, unless otherwise agreed by PCLT. Occupancy by Homeowner's child, spouse, or other persons approved by PCLT shall be considered occupancy by Homeowner. Neither non-compliance with the occupancy requirement nor PCLT's permission for an extended period of non-occupancy constitutes permission to sublease the Leased Land and Home, which is addressed in Section 4.5 below.

4.5 NEITHER HOME NOR LEASED LAND MAY BE OCCUPIED OR POSSESSED BY OTHERS WITHOUT PCLT'S PERMISSION. Except as otherwise provided in Section 4.4, Article 8 and Article 10, Homeowner shall not sublease, sell, assign, or otherwise transfer or convey any of Homeowner's rights under this Lease, for any period of time, without the written permission of PCLT. This prohibition extends to and includes any agreement offering temporary occupancy for consideration, whether by sub-lease, assignment, license, or other agreement. Homeowner agrees that PCLT shall have the right to withhold such consent in order to further the purposes of this Lease.

If permission for occupancy or possession by others is granted, the permission shall be subject to the following conditions.

a) Any sublease or other agreement shall be subject to all of the terms of this Lease.

b) The rental or occupancy fee charged, or the amount and nature of other consideration received by Homeowner, shall not be more than the amount of the Lease Fee charged the Homeowner by the PCLT, plus an amount approved by PCLT to cover Homeowner's costs in owning the Home, including but not limited to the cost of taxes, insurance and mortgage interest.

4.6 PCLT HAS A RIGHT TO INSPECT THE LEASED LAND. The PCLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, at any reasonable time, after notifying the Homeowner at least 48 hours before the planned inspection. No more than one (1) regular inspection may be carried out in a single year, except in the case of an emergency. In an emergency, the PCLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, after making reasonable efforts to inform the Homeowner before the inspection.

If the PCLT has received an Intent-To-Sell Notice (as described in Section 10.4 below), then the PCLT has the right to inspect the interiors of all fully enclosed buildings to determine their condition prior to the sale. The PCLT must notify the Homeowner at least 48 hours before carrying out such inspection.

If the PCLT reasonably determines that there is a reason for an interior inspection, then the PCLT has the right to inspect the interiors of all fully enclosed buildings to determine their condition, provided that it must first notify the Homeowner at least 48 hours before carrying out such inspection. A reasonable determination may arise from the PCLT receiving notice or observing unusual or illegal activity at the Home, receiving notice or observing other potential or actual defaults under this Lease, and receiving notice that the Homeowner is refinancing. This list provides examples; it is not meant to be exhaustive.

4.7 HOMEOWNER HAS A RIGHT TO QUIET ENJOYMENT. Homeowner has the right to quiet enjoyment of the Leased Land, subject to the terms of a certain Declaration of Easements and Restrictive Covenants regarding Stanwood Crossings dated ______. The PCLT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Homeowner in any way not permitted by this Lease.

ARTICLE 5: Lease Fee

5.1 AMOUNT OF LEASE FEE. The Homeowner shall pay a monthly Lease Fee in the amount of $50.00 to be paid in return for the continuing right to possess, occupy and use the Leased Land.

5.2 WHEN THE LEASE FEE IS TO BE PAID (DUE DATE). If the Home is encumbered by a Permitted Mortgage, the Permitted Mortgagee will collect the Lease Fee monthly from the Homeowner as part of the Homeowner's mortgage payment. The Permitted Mortgagee will pay the Lease Fee to PCLT at least annually, or more often as PCLT and Permitted Mortgagee may agree. If there is no Permitted Mortgage encumbering the Home, the Homeowner shall pay the Lease Fee to PCLT on the first day of each month ("Due Date") for as long as this Lease remains in effect.

5.3 PCLT MAY REDUCE OR SUSPEND THE LEASE FEE TO IMPROVE AFFORDABILITY. PCLT may, in its sole discretion, reduce or suspend the total amount of the Lease Fee for a period of time for the purpose of improving the affordability of the Homeowner's monthly housing costs. To be effective, any such reduction or suspension must be in writing and signed by PCLT.

5.4 FEES MAY BE INCREASED FROM TIME TO TIME. PCLT may increase the amount of the Lease Fee from time to time, but not more often than annually. Each time such amounts are increased, the annual increase will not exceed the greater of the annual change in the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Land is located or 5%.

5.5 LEASE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED. If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Fee shall be increased to an amount calculated by PCLT to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions, but initially an amount not exceeding five hundred dollars ($500). Such increase shall become effective upon PCLT's written notice to Homeowner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the PCLT may, from time to time, further increase the amount of such Lease Fee, provided that the amount of the Lease Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once every year.

5.6 IF PAYMENT IS LATE, $25 LATE FEE AND INTEREST CAN BE CHARGED. If PCLT has not received any monthly installment of the Lease Fee on or before the Due Date, PCLT may require Homeowner to pay a $25.00 late fee. Such late fee shall be deemed additional Lease Fee and shall be paid by Homeowner to PCLT upon demand. Such late fee may be increased by PCLT on any future late payments by up to 100%.in any 12-month period.

5.7 PCLT CAN COLLECT UNPAID FEES WHEN HOME IS SOLD. In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any interest as provided above, shall be paid to PCLT out of any proceeds from the sale that would otherwise be due to Homeowner. The PCLT shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Mortgages as defined in Section 8.1 below; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

5.8 PCLT CAN COLLECT A FINE FOR VIOLATION OF OCCUPANCY REQUIREMENTS. In the event that the Homeowner violates the occupancy requirements of Article 4, the PCLT may, in addition to its other remedies, charge a monthly fine in an amount it deems reasonable, until the violation is cured.

ARTICLE 6: Taxes and Assessments

6.1 HOMEOWNER IS RESPONSIBLE FOR PAYING ALL TAXES AND ASSESSMENTS. Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home and the Leased Land (including any taxes relating to the PCLT's interest in the Leased Land).

6.2 PCLT NOT LIABLE FOR ANY TAX BILLS IT RECEIVES ON HOME. In the event that the local taxing authority bills PCLT for any portion of the taxes on the Home or the Leased Land, PCLT shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 RIGHT TO CONTEST TAXES. Homeowner shall have the right to contest the amount or validity of any taxes related to the Home. The PCLT may contest the amount or validity of any taxes related to the Leased Land. Homeowner shall pay all costs of such proceedings.

6.4 IF HOMEOWNER FAILS TO PAY TAXES, PCLT MAY INCREASE LEASE FEE. In the event that Homeowner fails to pay the taxes or other charges described in Section 6.1 above, PCLT may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, PCLT shall pay the amount collected to the taxing authority in a timely manner.

ARTICLE 7: The Home

7.1 HOMEOWNER OWNS THE HOUSE AND ALL OTHER IMPROVEMENTS ON THE LEASED LAND. All structures, including the house, fixtures, and other improvements purchased, constructed, or installed by the Homeowner on any part of the Leased Land at any time during the term of this Lease (collectively, the "Home") shall be property of the Homeowner. Title to the Home shall be and remain vested in the Homeowner. However, Homeowner's rights of ownership are limited by certain provisions of this Lease, including provisions regarding the sale or leasing of the Home by the Homeowner and the PCLT's option to purchase the Home. In addition, Homeowner shall not remove any part of the Home from the Leased Land without PCLT's prior written consent.

7.2 HOMEOWNER PURCHASES HOME WHEN SIGNING LEASE. Upon the signing of this Lease, Homeowner is simultaneously purchasing the Home located at that time on the Leased Land, as described in the Deed, a copy of which is attached to this Lease as Exhibit C: DEED.

7.3 CAPITAL IMPROVEMENTS POLICY.

a) Capital Improvements are permitted on the terms provided for in this Lease. Capital Improvements are defined as 1) any post-purchase construction or rehabilitation activity that requires a building permit, 2) any construction or rehabilitation activity that increases the utility of gross built interior living space of the Home (whether or not a building permit is required) including but not limited to finishing previously unfinished attic and basement spaces and heating previously unheated building additions or other improvements located on the Land, and 3) any capital system replacement or upgrade (whether or not a building permit is required).

b) A Capital System Replacement or Upgrade is defined as replacement (or upgrade for safety or energy efficiency) of a major operating system or component of the Home, meaning that the replacement or upgrade is intended to increase the home's safety, efficiency or durability. Generally, and by way of example, maintenance and replacement of systems such as roofs; exterior and interior painting; fixtures; flooring, floor coverings and other finishes; interior carpentry or masonry; and any other item that may be expressly listed by the CLT are excluded from approved Capital Systems Replacement.

c) All Capital Improvements shall be subject to the following requirements:

1. all costs shall be borne and paid for by the Homeowner;
2. all work shall be performed in a good and professional manner and shall also comply with all Qualified Capital Improvement Policy requirements; the Master Declaration of Protective Covenants, Conditions and Restrictions; and applicable laws, codes, and requirements;
3. all work shall be consistent with the permitted uses set forth in this Lease; and
4. no work shall be undertaken without a written request to and written consent from PCLT.

d) All requests for Capital Improvements shall be processed as described in the Qualified Capital Improvements Policy, attached as Exhibit F. The Qualified Capital Improvements Policy also describes the circumstances in which the Homeowner may receive credit in calculating the Purchase Option Price, and how much that credit will be. PCLT may change Exhibit F at its sole discretion, and will provide notice of any such changes to the Homeowner. Such changes will be effective for any capital improvement for which PCLT receives an application after the Homeowner has received notice of the changes.

PCLT may place limits on the amount of improvements a homeowner can put in his or her home. Decisions by PCLT to disallow or to limit the amount of improvements allowed to be made may be made at PCLT's sole discretion – and generally out of an interest in ensuring the quality and affordability of the home for future, eligible homebuyers.

7.4 HOMEOWNER MAY NOT ALLOW STATUTORY LIENS TO REMAIN AGAINST LEASED LAND OR HOME. No lien of any type shall attach to PCLT's title to the Leased Land. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home that remains more than 60 days after it has been filed. Homeowner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Homeowner fails to discharge such lien within the 60-day period, then Homeowner shall immediately notify PCLT of such failure. PCLT shall have the right to discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land and the Home from such lien. Any amounts paid by PCLT to discharge such liens shall be treated as an additional Lease Fee payable by Homeowner upon demand.

7.5 HOMEOWNER IS RESPONSIBLE FOR SERVICES, MAINTENANCE AND REPAIRS. Homeowner hereby assumes responsibility for furnishing and paying for all utilities, services or facilities on the Leased Land, including but not limited to heat, electricity, air conditioning and water. PCLT shall not be required to furnish any services or facilities or to make any repairs to the Home. The homeowner is responsible for all maintenance and repairs of water services from the meter into the house, and the sanitary sewer service from the house to the public main in the street. Homeowner shall maintain the Home and Leased Land as required by Section 4.2 above and shall see that all necessary repairs and replacements are accomplished when needed.

7.6 WHEN LEASE ENDS, OWNERSHIP TRANSFERS TO PCLT, WHICH SHALL REIMBURSE HOMEOWNER. Upon the expiration or termination of this Lease, ownership of the Home shall transfer to PCLT. Upon thus assuming title to the Home, PCLT shall promptly pay Homeowner and Permitted Mortgagee(s), as follows:

FIRST, PCLT shall pay any Permitted Mortgagee(s) the full amount owed to such mortgagee(s) by Homeowner insofar as the amount does not exceed the Purchase Option Price. In no event shall the total amount that the PCLT is required to pay Permitted Mortgagee be greater than the Purchase Option Price;

SECOND, PCLT shall pay the Homeowner the balance of the Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the PCLT under the terms of this Lease. The Homeowner shall be responsible for any costs necessary to clear any additional liens or other charges related to the Home that may be assessed against the Home. If the Homeowner fails to clear such liens or charges, the balance due the Homeowner shall also be reduced by the amount necessary to release such liens or charges, including reasonable attorney's fees incurred by the PCLT.

ARTICLE 8: Financing

8.1 HOMEOWNER CANNOT MORTGAGE THE HOME WITHOUT PCLT's PERMISSION. The Homeowner may mortgage the Home only with the written permission of PCLT. Any mortgage or deed of trust permitted in writing by the PCLT is defined as a Permitted Mortgage, and the holder of such a mortgage or deed of trust is defined as a Permitted Mortgagee.

8.2 BY SIGNING LEASE, GIVES PERMISSION FOR ORIGINAL MORTGAGE. By signing this Lease, PCLT gives written permission for any mortgage or deed of trust signed by the Homeowner effective on the day this Lease is signed for the purpose of financing Homeowner's purchase of the Home.

8.3 HOMEOWNER MUST GET SPECIFIC PERMISSION FOR REFINANCING OR SUBORDINATE MORTGAGES. If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Permitted Mortgage or to finance home repairs or for any other purpose), Homeowner must inform PCLT, in writing, of the proposed terms and conditions of such mortgage loan at least 30 days prior to the expected closing of the loan. The information to be provided to the PCLT must include:

a) the name of the proposed lender;

b) Homeowner's reason for requesting the loan;

c) the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;

d) expected closing costs;

e) the rate of interest;

f) the repayment schedule; and

g) a copy of the appraisal commissioned in connection with the loan request.

The PCLT may also require Homeowner to submit additional information. PCLT will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater than 80% of the then current Purchase Option Price, calculated in accordance with Article 10 below, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the PCLT.

8.4 PCLT IS REQUIRED TO PERMIT A "STANDARD PERMITTED MORTGAGE". The PCLT shall be required to permit any mortgage for which the mortgagee has signed a "Standard Permitted Mortgage Agreement" as set forth in Exhibit D: Permitted Mortgages, Part C, and for which the loan secured thereby does not increase Homeowner's total mortgage debt to an amount greater than 80% of the then current Purchase Option Price, calculated in accordance with Article 10 below.

8.5 A PERMITTED MORTGAGEE HAS CERTAIN OBLIGATIONS UNDER THE LEASE. Any Permitted Mortgagee shall be bound by each of the requirements stated in Exhibit D: Permitted Mortgages, Part A, Obligations of Permitted Mortgagee, which is made a part of this Lease by reference, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Homeowner and the PCLT to modify the terms of the Lease during the term of the Permitted Mortgage.

8.6 A PERMITTED MORTGAGEE HAS CERTAIN RIGHTS UNDER THE LEASE. Any Permitted Mortgagee shall have all of the rights and protections stated in Exhibit D: Permitted Mortgages, Part B, Rights of Permitted Mortgagee, which is made a part of this Lease by reference.

8.7 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE PURCHASE OPTION PRICE WILL GO TO PCLT. Homeowner and PCLT recognize that it would be contrary to the purposes of this Lease if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to PCLT all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Article 10, below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to PCLT. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to PCLT.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER ASSUMES ALL LIABILITY. Homeowner assumes all responsibility and liability related to Homeowner's possession, occupancy and use of the Leased Land.

9.2 HOMEOWNER MUST DEFEND PCLT AGAINST ALL CLAIMS OF LIABILITY. Homeowner waives all claims against PCLT for injury or damage on or about the Leased Land.

9.3 HOMEOWNER MUST REIMBURSE PCLT. In the event the PCLT is required to or voluntarily undertakes to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse the PCLT for such payment and for reasonable expenses caused thereby.

9.4 HOMEOWNER MUST INSURE THE HOME AGAINST LOSS AND MUST MAINTAIN LIABILITY INSURANCE ON HOME AND LEASED LAND. Homeowner shall, at Homeowner's expense, keep the Home continuously insured against "all risks" of physical loss, using Insurance Services Office (ISO) Form HO 00 03, or its equivalent, for the full replacement value of the Home, and in any event in an amount that will not incur a coinsurance penalty. The amount of such insured replacement value and the amount of any deductible must be approved by the PCLT prior to the purchase of the Home by the Homeowner. Thereafter, if the PCLT determines that the replacement value to be insured should be increased, the PCLT shall inform the Homeowner of such required increase at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. If Homeowner wishes to decrease the amount of replacement value to be insured, Homeowner shall inform the PCLT of the proposed change at least 30 days prior to the time such change would take effect. The change shall not take effect without PCLT's approval.

Should the Home lie in a flood hazard zone as defined by the National Flood Insurance Plan, the Homeowner shall keep in full force and effect flood insurance in the maximum amount available.

The Homeowner shall also, at its sole expense, maintain in full force and effect public liability insurance covering the Home and the Leased Land using ISO Form HO 00 03 or its equivalent in the amount of Five Hundred Thousand Dollars ($500,000) per occurrence and in the aggregate. The PCLT shall be named as an additional insured using ISO Form HO 04 41 or its equivalent, and certificates of insurance shall be delivered to the PCLT prior to the commencement of the Lease and at each anniversary date thereof.

The dollar amounts of such coverage may be increased from time to time at the PCLT's request but not more often than once in any one-year period. PCLT shall inform the Homeowner of such required increase in coverage at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. The amount of such increase in coverage shall be based on current trends in homeowner's liability insurance coverage in the area in which the Home is located. All insurance required by this Article shall prohibit cancellation of the policy or policies without first providing the PCLT with at least thirty (30) days' notice of any proposed cancellation.

9.5 WHAT HAPPENS IF HOME IS DAMAGED OR DESTROYED. Except as provided below, in the event of fire or other damage to the Home, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or property.

If Homeowner, based on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than the full cost of necessary repairs and that Homeowner cannot otherwise afford to cover the balance of the cost of repairs, then Homeowner shall notify PCLT of this problem, and PCLT may then help to resolve the problem. Methods used to resolve the problem may include efforts to increase the available insurance proceeds, efforts to reduce the cost of necessary repairs, efforts to arrange affordable financing covering the costs of repair not covered by insurance proceeds, and any other methods agreed upon by both Homeowner and PCLT.

If Homeowner and PCLT cannot agree on a way of restoring the Home in the absence of adequate insurance proceeds, then Homeowner may give PCLT written notice of intent to terminate the Lease. The date of actual termination shall be no less than 60 days after the date of Homeowner's notice of intent to terminate. Upon termination, any insurance proceeds payable to Homeowner for damage to the Home shall be paid as follows.

FIRST, to the expenses of their collection;
SECOND, to any Permitted Mortgagee(s), to the extent required by the Permitted Mortgage(s);
THIRD, to the expenses of enclosing or razing the remains of the Home and clearing debris;
FOURTH, to the PCLT for any amounts owed under this Lease;
FIFTH, to the Homeowner, up to an amount equal to the Purchase Option Price, as of the day prior to the loss, less any amounts paid with respect to the first, second, third, and fourth clauses above;
SIXTH, the balance, if any, to the PCLT.

9.6 WHAT HAPPENS IF SOME OR ALL OF THE LAND IS TAKEN FOR PUBLIC USE. If all of the Leased Land is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair, the Lease shall terminate as of the date when Homeowner is required to give up possession of the Leased Land. Upon such termination, the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Land that does not result in damage to the Home or significant reduction in the usefulness or desirability of the Leased Land for residential purposes, then any monetary compensation for such taking shall be allocated entirely to PCLT.

In the event of a taking of a portion of the Leased Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, then the damage shall be treated as damage is treated in Section 9.5 above, and monetary compensation shall be allocated as insurance proceeds are to be allocated under Section 9.5.

9.7 IF PART OF THE LAND IS TAKEN, THE LEASE FEE MAY BE REDUCED. In the event of any taking that reduces the size of the Leased Land but does not result in the termination of the Lease, PCLT shall reassess the fair rental value of the remaining Land and shall adjust the Lease Fee, if necessary, to assure that the monthly fee does not exceed the monthly fair rental value of the Land for use as restricted by the Lease.

9.8 IF LEASE IS TERMINATED BY DAMAGE, DESTRUCTION OR TAKING, PCLT WILL TRY TO HELP HOMEOWNER BUY ANOTHER PCLT HOME. If this Lease is terminated as a result of damage, destruction or taking, PCLT shall take reasonable steps to allow Homeowner to purchase another home on another parcel of leased land owned by PCLT if such home can reasonably be made available. If Homeowner purchases such a home, Homeowner agrees to apply any proceeds or award received by Homeowner to the purchase of the home. Homeowner understands that there are numerous reasons why it may not be possible to make such a home available and shall have no claim against PCLT if such a home is not made available.

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY. Homeowner and PCLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for Income-Qualified Persons and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO PCLT OR QUALIFIED HOUSEHOLDS. Homeowner may transfer the Home only to the PCLT or an Income-Qualified

Household as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-Qualified Household" shall mean a person or group of persons whose household income does not exceed the lesser of: 1) one hundred twenty percent (120%) of the area median household gross income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time (as defined by the U.S. Department of Housing and Urban Development (HUD) or any successor agency); 2) such other lower income limit as may be required by a restrictive covenant or similar restriction, or by applicable state or federal law, or by a governmental agency pursuant to its program-related regulatory authority over the Home and/or the Leased Land; or 3) such other lower income limit as may be established by the PCLT. Household income shall be determined using a methodology consistent with determinations of household income under the most recent Section 8 regulations, or the regulations of its successor program.

10.3 TRANSFER OF THE HOME UPON THE HOMEOWNER'S DEATH.

a) If the Homeowner has a Will, the personal representative of Homeowner's estate shall notify PCLT within ninety (90) days of the date of the Homeowner's death of the Homeowner's intended disposition of the Home as stated in the Will. Upon receiving such notice, PCLT shall consent to a transfer of the Home, and Homeowner's rights to the Leased Land to the devisee, provided that a Letter of Agreement and a Letter of Attorney's Acknowledgment (as described in Article 1 above) are submitted to PCLT (to be attached to the Lease when it is transferred to the devisee) and further subject to (c) of this Section 10.3.

b) If the Homeowner dies intestate, the personal representative of Homeowner's estate shall notify the PCLT, within ninety (90) days of the date of the death, that the Homeowner has died intestate. Upon receiving such notice, PCLT shall consent to a transfer of the Home and Homeowner's rights to the Leased Land to the following, in the following priority:

1. the Homeowner's spouse who resided in the Home at the time of Homeowner's death;

2. the Homeowner's child or children who resided in the Home at the time of Homeowner's death;

3. Members of Homeowner's household (as determined by PCLT) who resided with the Homeowner in the Home for at least one year prior to Homeowner's death;

4. Homeowner's child or children who did not reside in the Home at the time of Homeowner's death;

provided that a Letter of Agreement and a Letter of Attorney's Acknowledgement (as described in Article 1 above) are submitted to PCLT to be attached to the Lease when it is transferred to any of the foregoing.

c) Any prospective purchaser under (a) or (b) above must, in addition to submitting Letters of Agreement and Acknowledgment as provided above, demonstrate to PCLT's satisfaction that they are an Income-Qualified Household as defined above. If they cannot demonstrate that they are an Income-Qualified Household, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article 10.

10.4 HOMEOWNER'S NOTICE OF INTENT TO SELL. When the Homeowner wishes to sell the Home, the Homeowner must inform the PCLT in writing (email is acceptable) of Homeowner's intent to sell ("Notice"). The Notice must contain the following:

- Date of the Notice;
- Clear language informing of the Intent to sell, for example, "I/We (Homeowner's legal name(s)) are informing the PCLT of our intent to sell the property at (Homeowner's address)"; and
- Name and contact information of the intended Income-Qualified Household (if Homeowner has identified a buyer).

10.5 . PCLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of the Notice from Homeowner, PCLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Households while taking fair account of the investment by the Homeowner.

a) If PCLT elects to purchase the Home, PCLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election ("Notice of Exercise of Option") within thirty (30) days of the receipt of the Notice, or the Option shall expire. Having given such notice, PCLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Household.

b) The purchase (by PCLT or PCLT's assignee) must be completed within sixty (60) days of PCLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.6 below. The time permitted for the completion of the purchase may be extended by mutual agreement of PCLT and Homeowner.

c) Homeowner may recommend to PCLT a prospective buyer who is an Income-Qualified Household and is prepared to submit a Letter of Agreement indicating informed acceptance of the terms of this Lease. PCLT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person(s), unless PCLT determines that its charitable mission is better served by retaining the Home for another purpose or transferring the Home to another party.

Homeowner agrees that once the Option is executed Homeowner will make every effort to reasonably accommodate showings of the Home to prospective buyers. PCLT will give Homeowner 24 hours' notice of any potential showings. Homeowner agrees to keep the home in order for showings. PCLT staff, or the PCLT's designated real estate broker, will accompany any potential buyers through the property.

10.6 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS. If the Purchase Option has expired or if PCLT has failed to complete the purchase within the sixty-day period allowed by Section 10.5 above, Homeowner may sell the Home to any person(s) representing an Income-Qualified Household for not more than the then applicable Purchase Option Price.

a) If Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option (or six months after the expiration of such sixty-day period) and the Home still has not been sold, Homeowner may then sell the Home, for a price no greater than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Household. The PCLT will continue to own the Leased Land, and future buyers will be subject to PCLT ownership of the Leased Land and associated restrictions, including the provision to charge a market-rate lease fee on non-income qualified owners.

b) In the event the PCLT does not elect to purchase the Home, it will assist the Homeowner in marketing the Home.

c) If the Homeowner lists the home with a real estate broker, the broker must contact the PCLT prior to listing the property. The listing price may not exceed the Purchase Option Price, and any purchase agreement must also state that the home is in a Community Land Trust and subject to income and resale restrictions. The PCLT will not be responsible for any portion of the broker's commission, or for any costs of closing the sale of the Property, including any seller's concessions.

10.7 AFTER ONE YEAR, PCLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE. If PCLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint PCLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus PCLT's costs of sale, inclusive of staff time and third-party costs, and any other sums owed PCLT by Homeowner.

10.8 PURCHASE OPTION PRICE EQUALS FORMULA PRICE. In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be equal to the price calculated in accordance with the formula described below ("Formula Price").

10.9 HOW THE FORMULA PRICE IS CALCULATED. The Formula Price shall be equal to (a) the amount of Homeowner's Base Price (which CLT and Homeowner agree is $_______) plus (b) any allowance for Qualified Capital improvements, as described in the most current Portage Community Land Trust Qualified Capital Improvements Policy, plus (c) an amount equal to the Homeowner's Base Price multiplied by the total percentage of increase, since the date this Lease was signed, in the area median household income (AMI) for a household of four for the Kalamazoo-Portage Metropolitan Statistical Area, as calculated and published by the US Department of Housing and Urban Development or such successor agency as may publish such information. The parties agree that, when the Lease was signed, the AMI for a household of four in such area (the Original AMI) was____. To determine the percentage of increase in the AMI, the Original AMI shall be subtracted from the then most recently published AMI, and the remainder shall then be divided by the Original AMI.

10.10 QUALIFIED PURCHASER SHALL RECEIVE NEW LEASE. The PCLT shall issue a new lease to any person who purchases the Home in accordance with the terms of this Article 10. The terms of such lease shall be the same as those of new leases issued to homebuyers at that time for land not previously leased by the PCLT.

10.11 PURCHASER MAY BE CHARGED A TRANSFER FEE. In the event that Homeowner sells the home to a party other than the PCLT (whether directly to such party or as a result of PCLT's assignment of its Purchase Option to such party), the price to be paid by such purchaser shall include in addition to the Purchase Option Price, at the discretion of the PCLT, a transfer fee of up to 2% of the sale price of the Home to compensate the PCLT for carrying out its responsibilities with regard to the transaction.

10.12 HOMEOWNER REQUIRED TO MAKE NECESSARY REPAIRS AT TRANSFER. The Homeowner is required to make necessary repairs when the Homeowner voluntarily transfers the Home as follows:

a) The person(s) purchasing the Home ("Buyer") shall, prior to purchasing the Home, hire at the Homeowner's sole expense a home inspector with a current Home Inspector license to assess the condition of the Home and prepare a written report of the condition ("Inspection Report"). The Homeowner shall cooperate fully with the inspection;

b) The Buyer shall provide a copy of the Inspection Report to Buyer's lender (if any), the Homeowner, and the PCLT within 10 days after receiving the Inspection Report;

c) Homeowner shall repair specific reported defects or conditions necessary to bring the Home into full compliance with Sections 4.2 and 7.5 above prior to transferring the Home;

d) Homeowner shall bear the full cost of the necessary repairs and replacements. However, upon Homeowner's written request, the PCLT may allow the Homeowner to pay all or a portion of the repair costs after transfer, from Homeowner's proceeds of sale, if Homeowner cannot afford to pay such costs prior to the transfer. In such event, either (i) 150% of the unpaid estimated cost of repairs or (ii) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner's proceeds of sale in a PCLT-approved escrow account. Homeowner shall allow PCLT, Buyer, and Buyer's building inspector and lender's representative to inspect the repairs prior to closing to determine that the repairs have been satisfactorily completed; and

e) Upon sale or other transfer, Homeowner shall either (i) transfer the Home with all originally purchased appliances or replacements in the Home in good working order or (ii) reduce the Purchase Option Price by the market value of any such appliances that are not left with the Home in good working order.

ARTICLE 11: Omitted

ARTICLE 12: Default

12.1 WHAT HAPPENS IF HOMEOWNER FAILS TO MAKE PAYMENTS TO THE PCLT THAT ARE REQUIRED BY THE LEASE. It shall be an event of default if Homeowner fails to pay the Lease Fee or other charges required by the terms of this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by PCLT to Homeowner and Permitted Mortgagee. However, if Homeowner makes a good faith partial payment of at least two-thirds (2/3) of the amount owed during the 30-day cure period, then the cure period shall be extended by an additional 30 days.

12.2 WHAT HAPPENS IF HOMEOWNER VIOLATES OTHER (NONMONETARY) TERMS OF THE LEASE. It shall be an event of default if Homeowner fails to abide by any other requirement or restriction stated in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days (or such shorter period as the PCLT determines is appropriate based on the circumstances) ("Cure Period"), after notice of such failure is given by PCLT to Homeowner and Permitted Mortgagee. However, if Homeowner or Permitted Mortgagee has begun to cure such default within the Cure Period and is continuing such cure with due diligence but cannot complete the cure within the Cure Period, the Cure Period shall be extended for as much additional time as may be reasonably required to complete the cure.

12.3 WHAT HAPPENS IF HOMEOWNER DEFAULTS AS A RESULT OF JUDICIAL PROCESS. It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home or Homeowner's interest in the Leased Land by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 DEFAULT (UNCURED VIOLATION) GIVES PCLT THE RIGHT TO TERMINATE THE LEASE OR EXERCISE ITS PURCHASE OPTION.

a) TERMINATION. In the case of any of the events of default described above, PCLT may terminate this lease and initiate summary proceedings under applicable law against Homeowner, and PCLT shall have all the rights and remedies consistent with such laws and resulting court orders to enter the Leased Land and Home and repossess the entire Leased Land and Home, and expel Homeowner and those claiming rights through Homeowner. In addition, PCLT shall have such additional rights and remedies to recover from Homeowner arrears of rent and damages from any preceding breach of any covenant of this Lease. If this Lease is terminated by PCLT pursuant to an Event of Default, then, as provided in Section 7.7 above, upon thus assuming title to the Home, PCLT shall pay to Homeowner and any Permitted Mortgagee an amount equal to the Purchase Option Price calculated in accordance with Section 10.9 above, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the PCLT under the terms of this Lease and all reasonable costs (including reasonable attorneys' fees) incurred by PCLT in pursuit of its remedies under this Lease.

If PCLT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above and the attached Exhibit D: Permitted Mortgages) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner's interest in the Home and the Leased Land by foreclosure of its mortgage or otherwise.

b) EXERCISE OF OPTION. In the case of any of the events of default described above, Homeowner hereby grants to the PCLT (or its assignee) the option to purchase the Home for the Purchase Option Price as such price is defined in Article 10 above. Within thirty (30) days after the expiration of any applicable cure period as established in Sections 12.1 or 12.2 above or within 30 days after any of the events constituting an Event of Default under Section 12.3 above, PCLT shall notify the Homeowner and the Permitted Mortgagee(s) of its decision to exercise its option to purchase under this Section 12.4(b). Not later than ninety (90) days after the PCLT gives notice to the Homeowner of the PCLT's intent to exercise its option under this Section 12.4(b), the PCLT or its assignee shall purchase the Home for the Purchase Option Price.

12.5 WHAT HAPPENS IF PCLT DEFAULTS. PCLT shall in no event be in default in the performance of any of its obligations under the Lease unless and until PCLT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to PCLT properly specifying PCLT's failure to perform any such obligation.

ARTICLE 13: Mediation and Arbitration

13.1 MEDIATION AND ARBITRATION ARE PERMITTED. Nothing in this Lease shall be construed as preventing the parties from utilizing any process of mediation or arbitration in which the parties agree to engage for the purpose of resolving a dispute.

13.2 HOMEOWNER AND PCLT SHALL SHARE COST OF ANY MEDIATION OR ARBITRATION. Homeowner and PCLT shall each pay one half (50%) of any costs incurred in carrying out mediation or arbitration in which the parties have agreed to engage.

ARTICLE 14: General Provisions

14.1 NOTICES. Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested (except that the Notice described in Section 10.4 above may be sent by email), to the party at the address set forth below, or such other address designated by like written notice:

If to PCLT: ____

If to Homeowner: ____ [name and address of Homeowner].

All notices, demands, and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 NO BROKERAGE. Homeowner warrants that it has not dealt with any real estate broker other than _______________________________ in connection with the purchase of the Home. If any claim is made against PCLT regarding dealings with brokers other than _________________________, Homeowner shall defend PCLT against such claim with counsel of PCLT's selection and shall reimburse PCLT for any loss, cost or damage which may result from such claim.

14.3 SEVERABILITY AND DURATION OF LEASE. If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease, which shall then be reformed to cure any such unenforceability or invalidity, and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or PCLT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that PCLT's option to purchase and all other rights of both parties under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons: The children living as of the date of this Lease of any of the Managers of PCLT.

14.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION. If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, PCLT shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit E: FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.5 WAIVER. The waiver by PCLT at any time of any requirement or restriction in this Lease, or the failure of PCLT to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. PCLT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by PCLT before being effective.

The subsequent acceptance of Lease Fee payments by PCLT shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Lease, other than the failure of the Homeowner to pay the particular Lease Fee so accepted, regardless of PCLT's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

14.6 PCLT'S RIGHT TO PROSECUTE OR DEFEND. PCLT shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner's name, any actions or proceedings appropriate to the protection of its own or Homeowner's interest in the Leased Land. Whenever requested by PCLT, Homeowner shall give PCLT all reasonable aid in any such action or proceeding.

14.7 CONSTRUCTION. Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand. All obligations of Homeowner shall apply jointly and severally to all persons comprising the Homeowner.

14.8 HEADINGS AND TABLE OF CONTENTS. The headings, subheadings and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.9 PARTIES BOUND. This Lease sets forth the entire agreement between PCLT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by PCLT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.10 GOVERNING LAW. This Lease shall be interpreted in accordance with and governed by the laws of the State of Michigan. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against PCLT or Homeowner.

14.11 RECORDING. The parties agree, as an alternative to the recording of this Lease, to execute a Memorandum of Lease in form recordable and complying with applicable law and reasonably satisfactory to PCLT's attorneys. In no event shall such document state the rent or other charges payable by Homeowner under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

14.12 CONFLICT WITH PURCHASE AGREEMENT. In the event there is a conflict between the provisions of this Ground Lease and the provisions of the Purchase Agreement, the terms of this Ground Lease shall prevail.

14.13 COUNTERPARTS/ELECTRONIC SIGNATURE. This Agreement may be executed by the parties in counterparts, and may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

SIGNATURES FOLLOW ON THE NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Ground Lease on the day and year first above written.

PORTAGE COMMUNITY LAND TRUST

By: ___________________________________

Its: Authorized Signer

HOMEOWNER:

____

____

EXHIBIT A
LETTER OF AGREEMENT

As referenced in Article 1

Note: All homebuyers must sign

To: Portage Community Land Trust ("PCLT")

Date: ________________________

This letter is given to the PCLT to become an exhibit to a Lease between the PCLT and me/us. I/we will be leasing a parcel of land from the PCLT and will be buying the home that sits on that parcel of land. I/we will therefore become what is described in the Lease as the "Homeowner."

I/we have reviewed the terms and conditions of the Lease and other legal documents that are part of this transaction and have had the opportunity to have legal counsel review the same.

I/we understand and accept the terms and conditions of the documents reviewed and also understand the proposed lease and purchase transaction;

I/we understand and accept that my/our rights as a PCLT homeowner are different from what my/our rights would be as a non-PCLT homeowner.

In particular, I/we understand and agree with the following points:

- One of the goals of the PCLT is to keep PCLT homes affordable for income qualified households from one PCLT homeowner to the next. I support this goal as a PCLT homeowner.
- The terms and conditions of my Lease will keep my home affordable for future "income-qualified persons" (as defined in the Lease). If and when I want to sell my home, the lease requires that I sell it either to the PCLT or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.
- It is also a goal of the PCLT to promote resident ownership of PCLT homes. For this reason, my Lease requires that, if my family and I move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
- I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.
- As a PCLT homeowner, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to others and me.

Sincerely,

Homeowner Name: ______________________________________
Homeowner Address: ____________________________________

[place on attorney/firm letterhead]

LETTER OF ATTORNEY'S ACKNOWLEDGMENT

As referenced in Article 1
Note: adapt language to single/multiple homebuyers

I,____, have been independently employed by ____ (hereinafter "Client") who intends to purchase a house and other improvements ("Home") on land to be leased from the Portage Community Land Trust ("PCLT").

The house is located at ____.

In connection with the contemplated purchase of the Home and the leasing of the land, I reviewed with the Client the following documents:

a) this Letter of Attorney's Acknowledgment;
b) a proposed Deed conveying the Home to the Client;
c) a proposed Ground Lease leasing the "Leased Land" to the Client;
d) other written materials provided by PCLT; and
e) the Letter of Agreement for the Client's signature

After reviewing the foregoing and discussing the transaction with the Client, the Client has agreed to sign the Letter of Agreement stating the Client's understanding and acceptance of the documents and the transaction. My review of these documents and discussion with the Client of the documents and the transaction have been intended to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client has informed me, and has given permission for me, to convey this information to the Seller, that she/they is/are entering into the aforesaid transaction in reliance on her/their own judgment and upon her/their investigation of the facts. The Client tells me that the advice and information I provided was an integral element of such investigation.

Name: ____

Firm/Address: __________________________________

____

Date: ______________________________

EXHIBIT B

DESCRIPTION OF LEASED LAND

EXHIBIT C
DEED

EXHIBIT D
PERMITTED MORTGAGES

The rights and provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. OBLIGATIONS OF PERMITTED MORTGAGEE. Any Permitted Mortgagee shall be bound by each of the following requirements unless the particular requirement is removed, contradicted or modified by a rider to this Lease signed by the Homeowner and the PCLT to modify the terms of the Lease during the term of the Permitted Mortgage.

1. Permitted Mortgagee will collect as part of the Homeowner's monthly mortgage payment an amount equal to the Homeowner's monthly Lease Fee described in Article 5 of the Ground Lease. Permitted Mortgagee will hold those payments in escrow, and will pay them to PCLT at least annually, or more often as PCLT and Permitted Mortgagee may agree.

2. If Permitted Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Permitted Mortgage, the Permitted Mortgagee shall, at the same time, send a copy of that notice to the PCLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default, the PCLT shall have the right to cure the default on the Homeowner's behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Permitted Mortgagee.

3. If, after the cure period has expired, the Permitted Mortgagee intends to accelerate the note secured by the Permitted Mortgage or begin foreclosure proceedings under the Permitted Mortgage, the Permitted Mortgagee shall first notify PCLT of its intention to do so, and PCLT shall then have the right, upon notifying the Permitted Mortgagee within thirty (30) days of receipt of such notice, to acquire the Permitted Mortgage by paying to the Permitted Mortgagee the amount of the debt secured by the Permitted Mortgage.

4. If the Permitted Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Permitted Mortgagee shall give PCLT written notice of such acquisition and PCLT shall then have an option to purchase the Home from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage. To exercise this option to purchase, PCLT must give written notice to the Permitted Mortgagee of PCLT's intent to purchase the Home within thirty (30) days following PCLT's receipt of the Permitted Mortgagee's notice. PCLT must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If PCLT does not complete the purchase within this 60-day period, the Permitted Mortgagee shall be free to sell the Home to another person.

5. Nothing in the Permitted Mortgage or related documents shall be construed as giving Permitted Mortgagee a claim on PCLT's interest in the Leased Land, or as assigning any form of liability to the PCLT with regard to the Leased Land, the Home, or the Permitted Mortgage.

6. Nothing in the Permitted Mortgage or related documents shall be construed as rendering PCLT or any subsequent Mortgagee of PCLT's interest in this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Permitted Mortgage or any part thereof.

7. The Permitted Mortgagee shall not look to PCLT or PCLT's interest in the Leased Land, but will look solely to Homeowner, Homeowner's interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that PCLT's consent to such the Permitted Mortgage shall be without any liability on the part of PCLT for any deficiency judgment.)

8. In the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Permitted Mortgagee in accordance with the provisions of Article 9 hereof.

9. PCLT shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE. The rights of a Permitted Mortgagee as referenced under Section 8.6 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Any Permitted Mortgagee shall, without further consent by PCLT, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2. A Permitted Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Home and Leased Land. In the event Permitted Mortgagee does take possession of the Home and Leased Land and thereupon transfers such property, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both PCLT and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, PCLT shall enter into a new lease for the Leased Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to PCLT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to PCLT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by PCLT, Homeowner and the Permitted Mortgagee.

5. The PCLT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that PCLT sends a notice of default under the Lease to Homeowner, PCLT shall also send a notice of Homeowner's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.1 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to PCLT by a written notice to PCLT sent in the manner set forth in said Section 14.1 of the Lease.

7. In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8. Before becoming effective, any amendments to this Lease must be approved in writing by Permitted Mortgagee, which approval shall not be unreasonably withheld. If Permitted Mortgagee has neither approved nor rejected a proposed amendment within 60 days of its submission to Permitted Mortgagee, then the proposed amendment shall be deemed to be approved.

C. STANDARD PERMITTED MORTGAGE AGREEMENT. A Standard Permitted Mortgage Agreement, as identified in Section 8.4 of this Lease, shall be written as follows, and shall be signed by Mortgagee and Homeowner.

This Agreement is made by and among:
____________________________________ *(Mortgagee) and*
____________________________________ *("Homeowner").*

***Whereas**:*

a) ____________ *PCLT ("PCLT") and Homeowner have entered, or are entering, into a ground lease ("Lease"), conveying to Homeowner a leasehold interest in the Land located at* ______________________ *("Leased Land"); and Homeowner has purchased, or is purchasing, the Home located on the Leased Land ("Home").*

b) *The Mortgagee has been asked to provide certain financing to the Homeowner, and is being granted concurrently herewith a mortgage and security interest ("Mortgage") in the Leased Land and Home, all as more particularly set forth in the Mortgage, attached hereto as Schedule A.*

c) *The Ground Lease states that the Homeowner may mortgage the Leased Land only with the written consent of PCLT. The Ground Lease further provides that PCLT is required to give such consent only if the Mortgagee signs this Standard Permitted Mortgage Agreement and thereby agrees to certain conditions that are stipulated herein ("Stipulated Conditions").*

***Now, therefore,** the Homeowner/Mortgagor and the Mortgagee hereby agree that the terms and conditions of the Mortgage shall include the Stipulated Conditions stated below.*

Stipulated Conditions:

1) If Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Mortgage, the Mortgagee shall, at the same time, send a copy of that notice to the PCLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default, the PCLT shall have the right to cure the default on the Homeowner's behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Mortgagee.

2) If, after such cure period, the Mortgagee intends to accelerate the note secured by the Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of the Lease, the Mortgagee shall first notify PCLT of its intention to do so and PCLT shall have the right, but not the obligation, upon notifying the Mortgagee within thirty (30) days of receipt of said notice, to purchase the Mortgagee's loans and to take assignment of the Mortgage.

3) If the Mortgagee acquires title to the Home and Homeowner's interest in the Leased Land through foreclosure or acceptance of a deed in lieu of foreclosure, the Mortgagee shall give the PCLT written notice of such acquisition and the PCLT shall have an option to purchase the Home and Homeowner's interest in the Leased Land from the Mortgagee for the full amount owing to the Mortgagee; provided, however, that the PCLT notifies the Mortgagee in writing of the PCLT's intent to make such purchase within thirty (30) days following the PCLT's receipt of the Mortgagee's notice of such acquisition of the Home and Homeowner's interest in the Leased Land; further provided that PCLT shall complete such purchase within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the PCLT does not complete the purchase within such period, the Mortgagee shall be free to sell the Home and Homeowner's interest in the Leased Land to another person;

4) Nothing in the Mortgage or related documents shall be construed as giving the Mortgagee a claim on PCLT's interest in the Leased Land, or as assigning any form of liability to the PCLT with regard to the Leased Land, the Home, or the Mortgage.

5) Nothing in the Mortgage shall be construed as rendering PCLT or any subsequent holder of the PCLT's interest in and to the Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

6) The Mortgagee shall not look to PCLT or PCLT's interest in the Leased Land, but will look solely to Homeowner and Homeowner's interest in the Leased Land and the Home for the payment of the debt secured by the Mortgage. (It is the intention of the parties hereto that PCLT's consent to the Mortgage shall be without any liability on the part of PCLT for any deficiency judgment.)

7) In the event that any part of the Leased Land is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Mortgagee in accordance with the provisions of Article 9 of the Lease.

8) Nothing in the Mortgage shall obligate PCLT to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

By:

______________________________ *for Mortgagee* *Date:* ________________

______________________________ *for Homeowner/Mortgagor* *Date:* ________________

EXHIBIT E

FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal ("Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer ("Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this Section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to the Holder having a renewed right of first refusal in said property.

EXHIBIT F

QUALIFIED CAPITAL IMPROVEMENT POLICY

PORTAGE COMMUNITY LAND TRUST, LLC
HOME BUYER SELECTION POLICIES & PROCEDURES

I. OVERVIEW

This policy is intended to guide both general and project-specific homebuyer selection procedures administered by the Portage Community Land Trust, LLC (PCLT). This policy shall be reviewed from time to time by the PCLT Manager(s) for effectiveness in guiding the PCLT in the pursuit of its mission. This policy may be amended by a majority of the Managers.

II. GOALS

The goals of the PCLT that these policies are intended to support are:

a) Acquiring land for affordable housing developments

b) To provide as wide a range of opportunities as possible for low- and moderate-income people to secure housing that is decent, safe and affordable;

c) To ensure the preservation of the quality and affordability of housing for future low- and moderate-income residents of the community;

d) Educate and counsel homebuyers and rental tenants

III. SELECTION CRITERIA

A. THRESHHOLD SELECTION CRITERIA

The following criteria reflect the PCLT's goal to reasonably match household size to unit size and household income to housing costs. [Note: some funding sources which the PCLT may rely on to develop its housing opportunities establish maximum eligible incomes of between 80% to 120% of the area median].

1. Citizen of USA or permanent resident alien.

2. Income Eligibility -

   a) Maximum Income: To be considered for selection, a household must have an annual income which does not exceed _120_% of the median income of households of equal size residing in the statistical area (as defined by the U.S. Department of Housing and Urban Development or its successor agency) within which the housing unit is located.

3. Creditworthiness: In all cases, a household must be able to demonstrate a sense of ownership of its financial obligations, and a history of responsible effort to meet them. The household, must be "pre-qualified" through the PCLT's application process to determine whether mortgage financing is likely to be obtained by the household based on the applicants available cash resources and the known requirements of various mortgage programs for which the household may be eligible.

   a) Minimum Income: To be considered for PCLT's homeownership opportunities, a household's monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the housing opportunity in question. In general, households that require a cosigner in order to obtain a mortgage will not be considered.

      (1) Affordability - (i.e. matching household income to housing cost). In general, affordable means that the monthly cost of occupying a particular housing unit does not exceed 30% of monthly household income, and monthly housing costs and total debt payments do not exceed 45% of monthly household income.

      (2) Assets - Applicants with more than 50% of liquid assets available for a down payment on a home in Stanwood Crossings are ineligible to participate.

4. Buyer Selection Criteria: Potential buyers will be scored using the criteria and weighting metrics that have been approved by the PCLT Manager(s).

B. SECONDARY SELECTION CRITERIA

The following circumstances, not necessarily in order of priority or importance, will be considered in those instances when there are two or more households expressing interest in a particular unit and who meet the Threshold Eligibility Criteria and have a tied score in the Buyer Selection Criteria metrics.

1. First-come first served: First applicants submitting a complete application and demonstrating the ability to qualify for a mortgage in a manner that satisfies requirements stated in Section "A. Threshold Selection Criteria."
2. Application on File. Length of time which a household's application for home ownership has been on file.
3. Appropriate size: (i.e. matching household size to unit size) In general, households consisting of the number of persons appropriate for the unit size will be given preference.

IV. APPLICATION PROCESS

This process is not necessarily sequential in nature; however, each component of the process is essential to ensure that each of the PCLT's prospective home buyers is fully informed as to the fundamental details and atypical nature of the PCLT's real estate transaction (i.e. involving a leasehold interest in the land and restrictions imbedded in the ground lease agreement on the resale of the improvements located on the leased premises.)

A. <u>OUTREACH & MARKETING.</u> Applicant responds to project-specific marketing or general community outreach by contacting the following for project-specific, or general (as the case may be), information.

Portage City Hall
C/O: Portage Community Land Trust, LLC, Community Development Dept.
7900 S. Westnedge Ave, Portage MI 49002
(269) 329 - 4466

B. <u>INFORMATION/ORIENTATION SESSION.</u> Applicant is advised of the next periodically scheduled PCLT information/orientation session. Applicants must attend the orientation session to purchase a PCLT home.

C. <u>APPLICATION REVIEW.</u> Applicant is provided with an application form to complete and return to PCLT staff. Assistance with filling out application will be provided by staff on an as-needed basis. Application is reviewed by staff in comparison to established threshold and secondary criteria. Staff determines whether applicant is likely to qualify for currently available housing units (or for the general waiting list, as the case may be).

D. <u>HOME BUYER TRAINING.</u> Applicant is advised to meet with local lender for a mortgage "pre-qualification" session to determine whether applicant is likely to obtain mortgage financing approval.

E. <u>PRELIMINARY APPROVAL / DENIAL.</u> Following mortgage "pre-qualification", and verifications, PCLT staff may preliminarily approve or deny an application. Qualified individuals/households will be so notified and placed on a waiting list to participate in the selection process for housing opportunities, as they become available.
Applicants that do not meet application criteria will be notified in writing. Staff may provide tips or advice on how the applicant may improve financial or other obstacles to a successful application.

F. <u>SELECTION PROCESS.</u> The selection process for each housing opportunity may vary depending on the number of eligible and qualified persons on the waiting list relative to the number of housing opportunities available at a particular time. In general the selection process will be conducted according to the steps outlined in Section V below.

G. <u>PURCHASE AND SALES CONTRACT / FORMAL MORTGAGE APPLICATION / ADVANCED ORIENTATION SESSION.</u> The applicant and the PCLT Manager sign a purchase and sale agreement. On a case-by-case basis, assistance with completing an application for mortgage financing may be available from the PCLT staff. Applicant applies for mortgage financing.

H. <u>MORTGAGE APPLICATION PROCESSING AND CLOSING</u> Applicant moves through the mortgage application and approval process.

I. <u>INDEPENDENT LEGAL REVIEW.</u> Applicant <u>must</u> retain, at applicants expense, an attorney who reviews all the PCLT legal documents on behalf of applicant and who provides independent advise and counsel regarding the transaction.

V. SELECTION PROCESS

A. WHO MAKES THE FINAL DECISION

1. Regarding Threshold and Secondary Eligibly Criteria -

   a) PCLT Staff – PCLT staff shall make a recommendation to Manager(s) in a form acceptable to the Manager(s) regarding whether an application will be placed in the qualified applicant pool.

   b) Manager(s) - The Manager(s) will have final say as to whether an applicant meets the threshold and/or secondary criteria discussed herein.

2. Regarding Credit Risk and Overall Creditworthiness -

   a) The mortgage underwriting guidelines of the lending programs available to the PCLT's qualified home buyers shall be the deciding factors regarding credit risk and the overall creditworthiness of a particular applicant

B. HOW IS DECISION MADE

1. Regarding Threshold and Secondary Eligibly Criteria -

   a) Using the definitions found in Appendix 1 staff will review both project-specific applications and general interest applications to determine whether the Threshold Criteria outlined above have been met. Applicants to be selected will come from among those who meet ***all*** of the Threshold Eligibility Criteria.

   b) Once this pool of applicants is used up, or if there are more eligible and qualified applicants than housing opportunities available, applications will be considered based on a review of the Secondary Selection Considerations.

2. Regarding Secondary Selection Considerations -

   a) Staff will provide the PCLT Manager(s) a summary of its findings along with each applicant's application.

APPENDIX 1 - DEFINITIONS

The Portage Community Land Trust, LLC (PCLT) has adopted the following definitions for the purposes of assessing affordability and monitoring its ability to achieve its goals.

"Affordable" means that the monthly Occupancy Cost of a particular housing unit generally does not exceed 30% of household income. (See discussion of Housing Costs, defined below, for exceptions regarding single-family ownership housing.)

"Debt-to-Income Ratio" (DTI) means all your monthly debt payments divided by your gross monthly income.

"Household" means a person, or group of persons who occupy the same housing unit as their primary residence.

"Area Median Income (AMI)" shall be as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (HUD) or a successor agency.

"Moderate Income" shall mean a household whose combined gross annual income, adjusted for Household Size (defined below), does not exceed 120% of the Area Median Income for the Statistical Area within which the housing is located as defined by HUD or a successor agency.

"Low Income" shall mean a household whose combined gross annual income, Adjusted for Household Size, does not exceed 50% of the Area Median Income for households of that size residing in the Statistical Area within which the housing is located.

"Very Low Income" shall mean a household whose combined gross annual income, Adjusted for Household Size, does not exceed 30% of the Area Median Income for households of that size residing in the Statistical Area within which the housing is located

"Statistical Area(s)" shall be as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (HUD) pursuant to 42 U.S.C. Sec. 1437 *et seq.*

"Housing Cost": shall mean:

1. When measuring the affordability to a known household of a known unit size:
   A. for "Single-Family" Ownership: the sum of the monthly payments due on
      - i the mortgage (principal & interest); plus
      - ii the property taxes due on the property; plus
      - iii the hazard insurance policy; plus
      - iv the Ground Lease Fee.

APPENDIX 2 - Current AREA MEDIAN INCOMES BY HOUSEHOLD SIZE (MI State Housing Development Authority, MSHDA)

Workforce Housing

Annual Income	1 Person	2 Person	3 Person	4 Person	5 Person
80%	$56,480	$64,560	$72,640	$80,640	$87,120
100%	$70,600	$80,700	$90,800	$100,800	$108,900
120%	$84,720	$96,840	$108,960	$120,960	$130,680

Portage Community Land Trust
Qualified Capital Improvements Policy

The Portage Community Land Trust (PCLT) Qualified Capital Improvement Policy (QCI) intends to balance the goal of preserving the long-term affordability of quality housing while encouraging the maintenance and improvements of the homes. All homes should remain attractive and functional for future buyers. PCLT believes it is important to support homeowners in the upkeep of their homes as well as minimizing impediments to making capital improvements to the home. PCLT has developed this QCI Policy to provide clarity to homeowners about the process to make significant improvements to their homes.

Approval Process

To be eligible for credit, a proposed capital improvement project must go through the following steps.

1. Application. Contact PCLT staff for the most up-to-date version of the PCLT Qualified Capital Improvement (QCI) Application (homeowners' responsibility). Complete QCI application in its entirety and submit with supporting documents, to the PCLT staff. Homeowners may request more than one QCI during homeownership. Each QCI will be evaluated and calculated separately to determine amount of credit. Submission instructions are included in the QCI application.

2. Staff Review: Approval or Denial. PCLT staff or another designee of the PCLT Manager(s) will review the QCI application and make a determination on whether credit will be awarded. Key considerations PCLT will evaluate when making a determination include: the scope of the proposed improvements, how the homeowner intends to pay for the improvements, and who will be performing the proposed improvements. The decision will be based on the QCI policy; however, no credit will be awarded to a proposed capital improvement that would adversely affect affordability for persons at or below 120% of Kalamazoo County area median income. PCLT will notify the submitting homeowner of the decision within 30 days of receiving the QCI application.

   Appeals: In the event PCLT has denied the QCI application, in part or in whole, the homeowner may appeal the decision to the PCLT Manager(s). The homeowner must notify the PCLT in writing to appeal within 60 days of PCLT's notification to the homeowner of its initial decision. If the PCLT Manager(s) reverse(s) the PCLT staff decision, the homeowner may proceed with the next steps as follows. If the PCLT Manager(s) affirm(s) the PCLT staff decision, the process is final, and the credit will not be awarded. The homeowner may not re-apply for the same proposed improvements. However, PCLT may, but is not obligated to, permit the improvement to be made, irrespective of the credit decision. If the homeowner will be making the improvement without credit, the homeowner must still follow sections 3, 4 and 5, below.

3. Pre-Construction Walk-Through

   If PCLT approves the QCI application, PCLT may elect to schedule a walk-through of the home within 15 business days of approval. The homeowner agrees to take "before" and "after" photos of the condition of the home and proposed project and share with the PCLT.

4. Commencement and Completion of QCI

   After letter of receipt confirming the approved QCI, the homeowner may commence the QCI project, which must be completed within one year of the date of the approval letter. On a case-by-case basis the PCLT may extend this timeline. Homeowners must notify PCLT promptly of, and PCLT approval must be obtained for any changes to the timeline or scope of work. The homeowner will retain and share with PCLT as necessary all documents related to the construction, such as, but not limited to, construction contracts, drawings, site plans, specifications, blueprints, building or other permits. The homeowner must also provide all expenses such as construction invoices, receipts of supplies, and out-of-pocket expenses.

5. Notifying PCLT of Completion and Scheduling Walk-Through

   Within 15 business days of completing the QCI, the homeowner must notify the PCLT that the QCI is completed. PCLT may elect to schedule a walk-through of the home to review the completed work.

6. Claiming Credit

   Credit is only eligible to be claimed at the time of the homeowner's sale of the home as outlined in the ground lease governing the resale process. At the time of resale, the credit will be added into the resale formula price detailed in the ground lease to reach the final purchase price, which is the maximum price at which the homeowner may sell their home. No credit will be given for work completed through grant-funded programs or forgivable loans or liens. For QCI that involve tax credits or rebates (e.g., for solar panels) only the net cost will count for the QCI credit, and the homeowner must provide the PCLT documentation of the rebates or tax credits.

7. Amount of Credit

   Credits are only eligible to be claimed at the time of the homeowner's sale of the home as outlined in the ground lease. At the time of proposed resale, for Track A, 50% of the actual dollar amount is used to determine the value of the QCI. 50% of the approved cost improvement will be added to the Purchase Option Price as outlined in the ground lease (see example below). For Track B, if you sell your home within 5 years of the work being performed, you will receive 25% of the actual dollar amount paid for the QCI. If the home is sold after five years (from the date of completion of the improvement), no credit will be provided for that QCI.

Track A - Eligible Improvements:

50% of the actual cost

Item	Details
Kitchen Remodel	Total Kitchen Remodel – New cabinets, sinks, floors, appliances, lighting, back splash, countertops and ventilation systems
Bathroom Remodel	Wet area – New countertops, faucets, plumbing, toilets, flooring, light fixtures, shower/tub and ventilation systems.
Irrigation	Adding irrigation to the front or back lawn

Track B - Eligible Improvements:

25% of the actual cost if completed within 5 years before resale-Cost based

Major system replacement or upgrades (not repairs/maintenance)

Item	Details
Solar Installation	Installation of solar panels on roofs and structures, maintaining solar panels to ensure safe and efficient wiring systems.
Siding Replacement	Stucco, vinyl, stone, brick
Flooring Replacement	Carpet to hardwood or ceramic tile
Window Replacement	Star compliant upgrades from original style
Full Roof Replacement	Full replacement, not patches or repairs
Water Heater/Furnace Replacement	Upgrading or replacing a new water heater or furnace.
Water Line	Replace or reline main water system such as sewer main or water line

Ineligible for Qualified Capital Improvements

Replacing carpet
Garage doors, Front/Exit doors, Interior doors.
Fences
Sheds
Decks
Cosmetic Designs – new paint, water filtration systems
Landscaping
Minor Kitchen or Bathroom upgrades- replacing only appliances, or bathroom toilets
Insulation – spray foam or loose fill attics

Smart Home Technology
Swimming pool or Hot tubs
Major additions that would impact the affordability
Alterations reducing the structure footage

The example below assumes Track A, 50% of actual cost for Bathroom Remodel

Initial CLT purchase price:	$245,855
Family Area Median Income (AMI):	$91,700 (Family of 4 @ 100% AMI, 2023)
Family Median Income at the time of Sale:	$100,800/$91,700 = 1.0992
New Purchase Option with NO QCI Credit:	$245,855*1.0992 = $270,243.81
Capital Improvement: **Bathroom Remodel**	$23,000 * 50% = $11,500 (Cost of improvement * Track A at 50%)
New Purchase Option with QCI credit	$270,243.81+ $11,500 = $281,743.81

The example below assumes Track B, 25% of actual cost for Siding Replacement

Initial CLT purchase price	$245,855
Family Area Median Income (AMI):	$91,700 (Family of 4 @ 100% AMI, 2023)
Family Median Income at the time of Sale:	$100,800/$91,700 = 1.0992
New Purchase Option with NO QCI Credit:	$245,855*1.0992 = $270,243.81
Capital Improvement: **Siding replacement**	$19,000 * 25% = $4,750 (Cost of the improvement * Track B at 25%)
New Purchase Option with QCI credit	$270,243.81+ $4,750 = $274,993.81

Qualified Capital Improvements Application

Name: ____ Application Date:______________

Address:____

Contact Number:____________________Email:____

Scope / Description of Proposed Improvement: (attach separate sheet if needed)

____

____

____

Estimated Work Start Date: ________________________________

Estimated Work Completion Date: __________________________

BUILDING PERMITS: Building permits are required by law for many home improvements. Permits are applied for through the City of Portage.

Items needed to begin the application process (please attach)

_____ Detailed Improvement Plans (including a list of permits required for proposed QCI)

_____ Detailed Budget (including sources of how the homeowner will pay for proposed QCI and any construction estimates or bids)

_____ Credentials and/or construction experience of who will be performing the proposed work

I acknowledge and agree this signed qualified capital improvement application will be for the work described above:

_________________________	_________	___________________________	________
Homeowner Signature	Date	Homeowner Signature	Date

***** Please note, if you begin work before receiving approval from the Portage Community Land Trust, you will not receive QCI credit for your improvement*****

To submit a QCI Application, you may mail, hand deliver, or email a fully completed application with supporting documentation to: **Portage City Hall C/O - Portage Community Land Trust, Community Development Dept. 7900 S Westnedge, Portage MI 49002 or Email to: ajohnson@portagemi.gov**

REVISED DRAFT 6/16/2025

OPERATING AGREEMENT
for
PORTAGE COMMUNITY LAND TRUST LLC

THIS OPERATING AGREEMENT ("Agreement") is made as of the _____ day of ______________, 2025, by the City of Portage, a Michigan municipal home rule corporation, its sole member ("Member").

ARTICLE I
ORGANIZATION

1.1 Formation. The Company has been organized as a Michigan Limited Liability Company under and pursuant to the Michigan Limited Liability Company Act, being Act No. 23, Public Acts of 1993, ("Act") by the filing of Articles of Organization ("Articles") with the Department of Licensing and Regulatory Affairs of the State of Michigan as required by the Act.

1.2 Name. The name of the Company shall be PORTAGE COMMUNITY LAND TRUST LLC. The Company may also conduct its business under one or more assumed names.

1.3 Purposes. The purposes and programs of the Company shall include the creation and long-term preservation of affordable new housing and/or the rehabilitation and preservation of existing housing stock for the purpose of providing good quality affordable housing for purchase by households with earned income that is otherwise insufficient to purchase equivalent housing in reasonable proximity to their workplace. A related and equally important goal is to preserve the affordability of the housing created by constructing or rehabilitating housing on land owned by the Company and which is leased to each homebuyer using a ground lease that contains long-term affordability provisions. The Company's programs may also include combating community deterioration in economically disadvantaged neighborhoods and communities by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods, by promoting economic opportunities for low- and moderate-income residents of these neighborhoods and communities, by making land available for projects and activities that improve the quality of life in these neighborhoods and communities, and by assisting residents of these neighborhoods and communities in improving the safety and well-being of their community.

1.4 Duration. The Company shall continue in existence perpetually unless it shall be sooner dissolved, and its affairs wound up in accordance with the Act or this Operating Agreement.

1.5 Registered Office and Resident Agent. The Registered Office and

Resident Agent of the Company shall be as designated in the initial Articles or any amendment thereof. The Registered Office and/or Resident Agent may be changed from time to time.

1.6 Legal Status of Company. The Member has formed the Company as a limited liability company under and pursuant to the Act. The operations of the Company shall be treated for federal tax purposes as the operations of the Member.

ARTICLE II
MEMBER RIGHTS AND RESPONSIBILITIES

2.1 Appointment of Initial Manager(s). The Member shall appoint (and may remove at any time for any or no reason) one or more managers (as applicable, "Manager" or "**Managers**") to manage the business of the Company, and the Manager or Managers shall have all powers necessary or advisable to carry out the business of the Company. Patrick McGinnis is hereby appointed the initial Manager of the Company. The Manager or Managers may appoint, employ, or otherwise contract with any persons for the transaction of the business of the Company or the performance of services for or on behalf of the Company, and the Managers may delegate to any person (who may be designated an officer of the Company) any authority to act on behalf of the Company as the Managers may from time to time deem appropriate. The initial Manager of the Company shall be the City of Portage, a Michigan municipal home rule corporation.

2.2 Appointment of Additional Manager(s). The Member shall have the right to determine, from time to time, changes in the number and qualifications of any Manager, to appoint additional Manager(s), and to establish new procedures for the appointment of some or all of the Manager(s). After the Company has achieved operational stability, as determined in the discretion of the Member, the Member may appoint additional Manager(s) to represent the interests of CLT homeowners and others whose expertise will, in the Member's discretion, likely enhance the prospects for the Company's long-term success. It may add, for example, members of key stakeholder groups such as lenders and funders, other housing developers or designers, residents of the Company's service area(s), and CLT homeowners.

2.3 Powers under the Act. The Member shall have all other rights and responsibilities that arise under or pursuant to the Act.

ARTICLE III
MANAGEMENT

3.1 Management Vested With Manager(s). The Company shall be managed by the Manager(s), who shall exercise full and exclusive control over the business and affairs of the Company consistent with the provisions of the Act, subject, however, to any limitations on their authority set forth in this Operating Agreement . The Manager(s) has the sole power and authority, on behalf of the Company, to do all things necessary or convenient to carry out the Company's business and affairs and in furtherance of the Company's purposes, including the sole power and authority to (a) purchase, lease, or otherwise acquire any real or personal property from any source whatsoever, including the Member; (b) sell, convey, mortgage, grant a security interest in, pledge, lease, exchange, or otherwise dispose of or encumber any real or personal property; (c) open one or more depository accounts and make deposits into, write checks against, and make withdrawals against such accounts; (d) borrow money and incur liabilities and other obligations; (e) enter into any contract or agreement; (f) execute any and all contracts, agreements, documents, and instruments; (g) engage employees and agents and establish their respective duties and compensation; (h) obtain insurance covering the business and affairs of the Company and its property; (i) begin, prosecute, or defend any proceeding brought by or against the Company; and (j) participate with others in partnerships, joint ventures, and other associations and strategic alliances. Again, any and all decisions and actions concerning the business and affairs of the Company shall be made solely by the Manager except as otherwise provided in the Act.

3.2 Standard of Care Liability. The Manager(s) shall not be liable for monetary damages to the Company for any breach of any such management duties, and the Company shall indemnify the Manager(s) from and against any and all losses, expenses, claims and demands sustained to the fullest extent permitted by law. Notwithstanding the immediately preceding sentence, the Company shall not indemnify a Member, Manager, employee or agent for any of the following:

(i) The receipt of a financial benefit to which the Member or Manager is not entitled;

(ii) Liability under Section 308 of the Act; or

(iii) A knowing violation of law. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in this paragraph shall be paid promptly by the Company in advance of the final disposition of the action, suit, or proceeding, or upon receipt of an undertaking by or on behalf of the indemnitee to repay the expenses if it is ultimately determined that the indemnitee is not entitled to be indemnified by the Company. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured. If an indemnitee is entitled to indemnification under this paragraph for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Company shall indemnify the indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the indemnitee is entitled to be indemnified.

ARTICLE IV
MEMBER AND MANAGER EXCULPATION OF LIABILITY; INDEMNIFICATION

4.1 Exculpation of Liability. Except as otherwise provided in this Agreement or by law, a person who is a Manager and/or Member shall not be liable for the acts, debts or liabilities of the Company.

4.2 Indemnification. Except as otherwise provided in this Article, the Company shall indemnify and defend the Members and the Manager of the Company, and may indemnify any officer, employee or agent of the Company or the Members or the Manager from and against any and all losses, expenses, claims and demands sustained to the fullest extent permitted by law.

4.3 Conflicts of Interest. A Member or the Manager does not violate a duty or obligation to the Company merely because the Member's or Manager's conduct furthers the Member's or Manager's own interests. A Member or the Manager may lend money to and transact any other business with the Company, including any transaction connected with the conduct or winding up of the Company. The rights and obligations of a Member or Manager who lends money to or transacts any business with the Company are the same as those of a person who is not a Member or Manager, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member or Manager has a direct or indirect interest in the transaction if the transaction is within a reasonable range of fairness to the Company.

ARTICLE V
BOOKS, RECORDS AND ACCOUNTING

5.1 In exchange for the Member's interest, the Member shall contribute to the capital of the Company, the cash and/or property set forth in the initial books and records of the Company. The Member shall have no obligation to make any further capital contributions to the Company. Any additional capital contributions must be so designated in writing by the Member and the Company. Any funds contributed to or advances made on behalf of the Company by the Member that are not designated as capital contributions shall be loans payable by the Company to the Member on demand together with interest at the prime rate from the date of the contribution or advance until repaid in full. The Member shall not be paid interest on any capital contribution.

5.2 The operations of the Company shall be treated for federal tax purposes as the operations of the Member.

5.3 The fiscal year of the Company shall be the fiscal year of the Member. The books and records of the Company shall be maintained in accordance with good accounting practices.

5.4 Real and personal property owned by the Company shall be held and conveyed in the Company's name. Funds of the Company shall be deposited in the name of the Company with the financial institutions and in the accounts determined by the Manager, subject to authorized signatures that the Manager may determine.

ARTICLE VI
DISSOLUTION AND WINDING UP; CONTINUATION OF BUSINESS

6.1 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events:

(a) at any time specified in the Articles or this Operating Agreement;

(b) upon the happening of any event specified in the Articles or this Operating Agreement;

(c) by consent of a majority in interest of the Sharing Ratios of the Members;

(d) upon the withdrawal, expulsion, disability, bankruptcy, or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company; unless within ninety (90) days after the event causing dissolution, a vote of the Members owning a majority interest in the Sharing Ratios pursuant to Paragraph 6.2 consent to continue the business of the Company, or

(e) upon the entry of a decree of judicial dissolution. In the event the Company is to continue pursuant to Paragraph 9.l(d) herein, the successor in interest of the Member who has died, withdrawn, dissolved, or become disabled or bankrupt, or who incurs any other event that otherwise would cause termination of membership in the Company, shall remain a Member; provided, however, at the election of the majority interest of the Sharing Ratios (excluding the successor Member's Sharing Ratio interest), the Company may purchase the successor Member's interest in the Company at a value as set forth in Paragraph 3.3(b) above and on the same terms and conditions as set forth in Paragraph 3.3(b) above except the valuation date shall be the date of the exercise of the option. The option to purchase the successor Member's interest must be exercised within two (2) years from the date of the vote to continue the business of the Company.

6.2 Winding Up. Upon dissolution, the Company shall cease carrying on its business and affairs and shall commence the winding up of the Company's business and affairs and complete the winding up as soon as practicable. Upon the winding up of the Company, the assets of the Company shall be distributed as follows:

Following the payment of all debts and liabilities of the Company (other than loans or advances that have been made by any of the Members) and all expenses of liquidation, and subject to the right of the Members to set up cash reserves as they may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, the proceeds of the liquidation and any other funds of the Company shall be distributed in the following order of priority:

(a) First, to the repayment of any loans or advances that may have been made by any of the Members to the Company, but if the amount available for repayment of such loans or advances shall be insufficient, then to the Members on account thereof in proportion to their Sharing Ratios; and

(b) Then, after allocation of all income, profits, losses and deductions in accordance with Article IV hereof and after adjustment to the Capital Accounts required by Treasury Regulation §1.704-l(b), to the Members in payment of the amount of their Capital Accounts, but if the amount available for such repayment shall be insufficient, then to the Members on account thereof in proportion to their respective Capital Accounts.

(c) Then to each of the Members on account of its Capital contributions paid to or on behalf of the Company reduced (but not below zero) by a total amount of all prior cash distribution made to him pursuant to this Operating Agreement, including the amount previously distributed to him under (b) above;

(d) Any and all remaining assets or proceeds shall be distributed to the Members in the same ratio as their Sharing Ratios.

Each Member shall look solely to the Company property for all distributions with respect to the Company and its Capital contributions thereto and its share of income, gains, losses and deductions thereof, and shall have no recourse against any Members therefore. No Member shall have any rights to demand or receive property other than cash upon distribution and liquidation of the Company, but the Members may, in their discretion, distribute property other than cash to a Member.

6.3 Restriction on Withdrawal From Company. No Member may withdraw from the membership of the Company without the consent of those remaining Members holding a majority of the remaining interest in the Sharing Ratio of the Company, and any Member who does withdraw without such consent shall be liable in damages to the Company and to the other Members with any other relief that may be granted in law or equity.

ARTICLE VII
MISCELLANEOUS PROVISIONS

7.1 Terms. Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm, entity, or corporation may in the context require.

7.2 Counterparts. This Operating Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which will constitute one and the same document.

7.3 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties hereto and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

7.4 Severability. The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

7.5 Article Headings. The Article headings contained in this Operating Agreement have been inserted only as a matter of convenience and for reference and in no way shall be construed to define, limit or describe the scope or intent of any provision

7.6 Amendment. This Operating Agreement may be amended or revoked at any time by a written agreement executed by Members holding a majority interest in the Sharing Ration of the Company. No change or modification to this Operating Agreement shall be valid unless in writing and signed.

7.7 Notices. Any notice permitted or required under this Operating Agreement will be deemed to have been given when deposited in the United States mail, postage paid, addressed to the party at the address reflected on the records of the Company, or when delivered in person or by courier or by facsimile transmission, or by electronic mail transmission, addressed to the email address provided by the party to be notified.

7.8 Binding Effect. Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

7.9 Governing Law. This Operating Agreement is being executed and delivered in the State of Michigan and shall be governed by, construed and enforced in accordance with the laws of the State of Michigan.

[Signatures Appear on the Next Page]

IN WITNESS WHEREOF, the parties hereto make and execute this Operating Agreement as of the date and year first above written.

COMPANY:

PORTAGE COMMUNITY LAND TRUST LLC
a Michigan limited liability company

By: City of Portage,
a Michigan municipal home rule corporation
Its: Manager

By: ____________________________

Its: ____________________________

MEMBER:

CITY OF PORTAGE,
a Michigan municipal home rule corporation

By: ____________________________

Its: ____________________________

APPROVED AS TO FORM

Timothy J. Orlebeke
Orlebeke Mackraz PC
Special Counsel to the City of Portage

EXHIBIT A

Member Capital Contribution and Sharing Ratio

Member	Capital Contributions	Sharing Ratio
City of Portage 7900 South Westnedge Avenue Portage, MI 49002	$100.00	100%

CITY COUNCIL AGENDA ITEM A.2.
JUNE 24, 2025

TO: Honorable Mayor and City Council

FROM: Pat McGinnis, City Manager

SUBJECT: Review of Easements and Covenants

SUPPORTING PERSONNEL: Peter Dame, Chief Development Officer

ACTION RECOMMENDED: Review Declaration of Easements and Restrictive Covenants

At the May 27, 2025, City Council meeting, the Council conducted an initial review of the Portage Community Land Trust (CLT) Operating Agreement and the Stanwood Crossings Declaration of Easements and Restrictive Covenants. Following discussion, it was determined to review these documents in further detail at a Committee of the Whole meeting.

The CLT attorney, Tim Orlebeke, agreed at the May 27, 2025, meeting to clarify some issues raised by the wording in the original draft of the operating agreement. A marked-up version of the proposed edits is provided for review. Additionally, the designation of the City Manager [or his designee(s)] is incorporated into the proposed operating agreement draft rather than waiting for a later meeting for the City Council, acting as the CLT member, to designate an initial manager.

The Declaration of Easements and Covenants document includes items proposed to be recorded and incorporated into the deeds of each property as they are split up by parcel when the house is sold to the initial purchaser. The easements include preservation of needed or potentially needed areas for utilities and stormwater management. The covenants are additional items related to land restrictions related to the CLT operation. To assist in the review of the proposed covenants, those covenants that are not dealt with by city property maintenance, building, or zoning codes are highlighted. A description of the relevant existing city code is provided in brackets below each item.

For background, after the Council authorized Special Counsel to help staff review and edit documents related to creating a CLT, the Stanwood Crossings staff team completed all the needed CLT documents and policies. This team included Jack Gesmundo of AVB as the city's builder and project development partner. AVB was selected as a project partner for their expertise in building quality homes and neighborhoods, as desired for the Stanwood Crossings project.

The overall purpose of the Declaration of Easements and Restrictive Covenants is to "preserve, protect and enhance the quality and aesthetic of Stanwood Crossings." The goal is to not only provide a quality house for a household that would otherwise not be able to afford it, but to ensure that the quality is maintained over a long period. With AVB's guidance, much care has been taken towards the entire neighborhood design. The homes are not individually designed by the purchaser, but instead have been meticulously planned both in design and placement to provide a mix of complementary but not uniform styles, sizes, and styles. The intent is not simply to build a collection of individual houses, but rather to create a cohesive, connected neighborhood that residents are proud to call home and are inspired to care for. In addition, the use of the CLT as a means to ensure the ongoing success of the goals of the entire project for both affordability and desirability over time engenders an added level of review for improvements. For example, to qualify for potential recapture of capital improvements made by the homeowner at the time of sale, the CLT will need to review and approve the plans. This is included in the land lease as a requirement, but the recommendation of the CLT attorney was also to include these types of issues, in whatever form is ultimately agreed to, in covenants that become part of the deed and are attached as an exhibit to the land lease.

City zoning restrictions and the property maintenance codes provide a base framework for rules. However, many subdivisions in Portage have additional covenants imposed by either an HOA or condo association that adopts rules similar to those outlined in the attached. Developers use them and community-minded realtors like them because they work to retain the look and feel of the community as it was built. The city team reviewed an extensive list of many commonly used covenants and refined the approach to focus only on those provisions most likely to foster a distinct neighborhood identity and maintain a high-quality appearance. Staff generally relied on existing city code standards, adding supplemental provisions only when there was a clear and compelling reason to do so. For example, having a neighborhood devoid of any signs was intended to keep a cleaner, non-cluttered feel and avoid problems with potentially objectionable signs that could divide a neighborhood. Limiting the type of fences allowed prevents the neighborhood from developing a hodgepodge appearance. In many cases, the covenants simply require homeowners to obtain approval for an exterior modification, such as adding trees or a shed, to ensure appropriate placement and appearance, not to prohibit changes to the property. This allows the CLT to ensure that updates are appropriate and will not detract from the overall value of the neighborhood. Obtaining approval of capital improvements, such as exterior improvements, in advance, for example, also coincides with the process in the CLT land lease requiring CLT approval.

While the city team has spent a significant amount of time debating the number and extent of the covenants, these are certainly subject to debate and discretion. Staff looks forward to discussing and receiving direction on this matter from Council.

FUNDING: n/a

Attachments: 1. 25-05-17 Stanwood Crossings Restrictive Covenants 5.15.25 Clean_OrdinanceAnnotations_pjd

STANWOOD CROSSINGS

DECLARATION OF
EASEMENTS AND RESTRICTIVE COVENANTS

KEY:
Highlights are different from City Ordinance
[Comments are in brackets]

STANWOOD CROSSINGS

DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS

The City of Portage, a Michigan municipal corporation, hereby establishes, declares and imposes the easements and restrictive covenants set forth herein in accordance with the following terms and conditions (hereafter the "Declaration").

Background

The City of Portage owns and the Portage Community Land Trust ("PCLT") is developing the land described in attached Exhibit "A" (hereafter the "Property"). Each individual parcel created on the Property (each, a "Parcel ") will be developed as single-family residence. Owners will purchase the improvements located on a Parcel and ground lease each Parcel's land from the PCLT. This Declaration was developed to preserve, protect and enhance the quality and aesthetics of Stanwood Crossings.

All Parcels are subject to this Declaration and all improvements, additions, and/or deletions on a Parcel including but not limited to the home, grading, landscaping, trees, natural vegetation, fencing, pools, play structures, etc., and any structure or improvements, colors or materials, alterations, additions, and modifications that are visible from any adjoining property, neighboring Parcels, roads, and other areas of the Property must be developed, used and maintained in accordance with this Declaration.

NOW, THEREFORE, the City of Portage desires to create certain conditions, covenants and restrictions to govern and control the use, occupancy, ownership and title of any or all of Stanwood Crossings, and it does hereby impose upon and subject the title, use, occupancy, and ownership of Stanwood Crossings, to the conditions, covenants, and restrictions hereinafter set forth. These conditions, covenants and restrictions shall be permanent and shall run with the land.

ARTICLE 1

Portage Community Land Trust LLC (PCLT)

The City of Portage appoints the PCLT as its Developer of the Property and ratifies and confirms the appointment of the Developer with respect to services rendered to date in planning Stanwood Crossings. The PCLT is hereby authorized to perform the duties set forth in this Declaration.

1.1 The PCLT shall interpret, enforce, and govern the use and development of Stanwood Crossings by this Declaration. The PCLT shall also interpret and enforce the provisions in the Ground Lease that each homebuyer in Stanwood Crossings will sign.

1.2 Function of the PCLT: Approvals granted by the PCLT will be in writing and signed by a Manager of PCLT. The PCLT shall have discretion to allow variations from any of the conditions, covenants and standards contained in this Declaration by written approval of its Member.

1.3 Submittals to the PCLT: Any requests for approval required by this Declaration must be submitted in writing to the Portage Community Land Trust regarding Stanwood Crossings, located at 7900 Westnedge Ave., Portage, MI 49002. Requests that are covered by the Ground Lease will be processed as provided in that document. All such requests for approval shall include sufficient information, as determined by the PCLT, to permit the PCLT to make an informed decision. By way of example, a request will typically require drawings and specifications of the proposed project as well as a construction schedule.

1.4. Response to Requests: The PCLT will respond to all properly submitted requests within 15 business days of receipt of all necessary documents, plans, and specifications. The PCLT shall have the right to extend its deliberation period by an additional fifteen (15) business days by notice to the applicant in writing. In the event the PCLT fails to approve or disapprove such plans within original or extended review period then approval will be deemed to have been granted, provided that the approved action must conform to all applicable codes and laws and must generally conform to the Stanwood Crossings design and construction. The PCLT may publish Standards from time to time, setting forth the criteria it will consider in making its decisions. If not addressed in published PCLT Standards, the approval or refusal by the PCLT to grant any of the approvals referred to herein may be based upon any ground including purely aesthetic considerations, which in the sole and unlimited discretion of the PCLT shall be sufficient. In this respect, the PCLT may consider conformity and harmony of design with existing structures, the habitat of the area and its orientation and aesthetic appeal as viewed from the street and neighboring Parcels.

ARTICLE 2

Design and Maintenance Standards

2.1 The general Design and Maintenance Standards that apply to each Parcel are as follows: Each Owner shall be responsible for the maintenance, repair and replacement of their Parcel, including without limitation, all residences, structures, improvements, grounds and landscaping erected, placed on or located within their Parcel. The visible exterior appearance of the residence, and all structures and improvements situated on the Parcel (including without limitation lawns, landscaping, walks, decks, patios and driveways), shall be subject to the terms of any PCLT approvals and reasonable maintenance standards. While it is intended that each Owner will be solely responsible for the performance and cost of the maintenance, repair and replacement of the residence and all other appurtenances and improvements constructed or otherwise located within their Parcel, *the PCLT retains the right to remedy the situation if an Owner fails to properly maintain the exterior of their residence, or other portions of the Parcel, in a proper manner and in accordance with the foregoing standards. If an Owner fails to comply with the foregoing standards, or any of them, then the PCLT shall have the right, but not the obligation, to undertake such exterior maintenance or repair activities as it may deem appropriate (including without limitation painting or other decoration, lawn mowing, landscape maintenance, tree trimming and other items deemed to keep Parcels in a neat and attractive condition).* Failure of the PCLT to take any such action shall not be deemed a waiver of the PCLT's right to take any such action at a future time. *All costs incurred by the PCLT in performing any responsibilities that are required in the first instance to be borne by the Owner shall be charged to that Owner. A lien for nonpayment of any such charges shall attach to the Owner's Parcel and may be enforced by the use of all means available to the PCLT by law for the collection of regular assessments, including without limitation legal action, foreclosure of the lien securing payment, and the imposition of fines.*

[Grants the CLT rights to address issues through its authority, not reliant upon City property maintenance codes. It is anticipated that the CLT would refer lawmowing to be undertaken using city weed and grass code since it has a streamlined procedure not requiring court approvals.]

2.2 Specific Design Issues. The General Design and Maintenance Standards apply to all the following specific design issues, which are included to provide guidance and do not override or replace the General Design and Maintenance Standards.

a. All the Parcels in the Property shall be used only as single-family residences for use *by Members of the household.*

[This provision is there to ensure that the home is there for the qualified household members and is not used to generate profit for the owner. City zoning does not prohibit rental of single-family homes or use by non-household members. Sec. 42-373.]

b. No other buildings shall be erected, built, placed, altered, or permitted to remain on any Parcel other than the one single-family dwelling not to exceed 2 $^{1}/_{2}$ stories in height and an attached or unattached garage, unless otherwise approved by PCLT.

[Accessory buildings are allowed under Sec. 42-121 of the ordinance providing for accessory uses, but additional of addition buildings would require approval of the PCLT for appearance and location review, and review for potential capital credit when sold, per the CLT policy.]

c. No garage on any Parcel shall contain less than two stalls or more than three stalls and no more than one unattached garage shall be located on the Property, unless otherwise approved by PCLT.

[There is no maximum or minimum garage size or number of unattached garage limits in the zoning ordinance.]

d. All driveways on the Property must be constructed of asphalt or concrete, unless otherwise approved by PCLT. With the exception of front sidewalks in the public right of way*, no concrete or asphalt drives or paths shall be installed within five feet of a side or rear lot line.*

[Ordinance requires a uniform improved surface; asphalt, concrete, porous pavement/pavers, or gravel via Sec. 42-112 - definitions. There are no ordinance provisions for distance from side or rear lot lines.]

e. All plans and elevations for any structures or improvements that require municipal permits or inspections or which have footings, including but not limited to, fences, storage sheds, other outbuildings, decks, patios, playsets, swimming pools, and any other alteration of the building(s) on any Parcel shall first be presented to PCLT for written approval before commencement of any construction. Fences other than split rail, white vinyl picket or privacy, or black aluminum shall not be considered for installation.

[Permanent footings do not trigger a permit requirement on their own via ordinance language. Residential fence materials are not regulated on residential lots unless they are located in the rear yard of lakefront lots via sec. 42-128. Per building code, fences of 7' or greater height, storage sheds and

outbuildings less than 200 square feet, patios, and playground equipment do not require a building permit. Outbuildings of 200 square feet or greater, decks, and swimming pools of 2' depth or more require a permit and are regulated by the building code. Decks are also regulated in Sec. 42-124 of the ordinance.]

f. *All construction above grade line shall be of brick, brick veneer, stone, or wood, unless otherwise approved by PCLT. Vinyl siding shall be permitted.*

[There are no material or design standards for single family residences in City codes.]

g. All landscape plans for a Parcel shall be submitted to PCLT for approval. Certain plantings are recommended and are listed on attached Exhibit B.

[While various sections of the code of ordinances guide the establishment of landscape plans, there is no language in the ordinance requiring that any landscaping work be submitted for City approval on single family residences.]

h. *The exterior of any structure or improvement being constructed on Parcel shall not remain incomplete for longer than eight months from the date on which construction of the improvement is commenced. All construction shall be diligently pursued to completion, and the completion shall occur before occupancy.*

[Building Codes allow building permits for a six month period during which a inspection must occur and there must be ongoing progress. If a project has a lull and restarts, additional six months periods are granted but there is no completion date required and a project can go for indeterminate periods.]

i. Any structure on a Parcel that is destroyed, in whole or in part, by fire, windstorm, or by any other cause must either be rebuilt or all debris removed, and the lot must be restored to a sightly condition with reasonable promptness.

[Sec. 42-1191 to 1193 and 1241 to 1245 outline wrecking & permitting requirements. Sec.9.7. – Hazards and Nuisances regulates clean up of debris and damaged/dilapidated buildings. General abatement procedures are included in Sec. 24-113.(e)]

j. No trailer, basement, tent, shack, garage, or other outbuilding erected at any time on the undeveloped property shall be used as a residence, either temporarily or permanently. No structure of a temporary character on a Parcel shall be used as a residence.

[Sec. 42-181 & 182 outline principal and special land uses in residential districts. As an "exclusionary regulatory document", anything not included as allowed is prohibited at a residence. Trailers, tents, and shacks are all excluded for use as residences by city code. Garages, basement spaces, and outbuildings may be updated if in compliance with building code into residential space as part of the dwelling unit or as an accessory dwelling unit.]

k. No commercial vehicles, semitrailers (either trailer or tractors, or both), or any larger trucks shall be permitted to be parked on a lot on the Property, except temporarily for pickup or delivery.

[Sec. 42-520.C.1 states that off-street parking for nonresidential use shall not be allowed in a residential district. Single family property, under Section 42-183 Article F is limited to "private non-commercial". Code enforcement enforces this as prohibiting commercial vehicles that require a specialized license to operate, not a pickup or van. An example of prohibited vehicle would be a vehicle requiring a CDL.]

l. No trail bikes, dirt bikes, all-terrain vehicles, or snowmobiles may be operated on the Property.

[No comparable ordinance.]

m. No conduct or activity that is a nuisance as defined by a City of Portage ordinance or other applicable law shall be carried out on the Property.

[Self-evident that this refers to a broad array of existing ordinance language.]

n. No Parcel shall be used or maintained as a "dumping ground" for rubbish. Trash, garbage, or other waste shall not be kept on the lot except in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

[Sec.9.7. – Hazards and Nuisances regulates clean up of debris and damaged/dilapidated buildings. General abatement procedures are included in Sec. 24-113.(e)]

o. No sign of any kind shall be displayed for public view on a Parcel, except one sign of not more than six square feet advertising a Parcel "for sale."

[Sec. 42-543 outlines signs permitted in all districts. Sec. 42-548 outlines the requirements of signs in a PD, Planned Development district, (like Stanwood Crossings), and subsection G indicates that for each dwelling unit there is permitted one permanent sign of any type not exceeding one square foot in area, which is the same rule as in R-1. In addition, temporary signs are allowed up to six square feet, except in the period before an election up to 40 square feet of any temporary sign are allowed.]

p. No animals shall be kept on any Parcel except animals permitted by City ordinance.

[Chapter 10 is dedicated entirely to ordinance language pertaining to animals. Sec. 42-121 outlines accessory uses related to stables and keeping of chickens as accessory uses.

q. No exterior lighting is permitted that intrudes on any other Parcel owner's reasonable enjoyment of that Parcel.

[Sec. 42-595 of that subdivision outlines prohibited outdoor lighting.]

r. *No exterior changes are permitted to any building on a Parcel without PCLT approval*.

[City ordinances do not require City approvals of exterior changes unless it triggers a construction permit.]

s. No mechanical work on any truck, car, boat, trailer, motorcycle, ATV, RV, or other motorized vehicle is permitted outside on any Parcel, road, sidewalk, yard, or common area, except as specifically permitted by City ordinance.

[Sec. 24-93 outlines vehicle noise prohibitions. Sec. 24-113 includes property maintenance standards related to storage, dismantling, parking of inoperable vehicles. Parking of vehicles for emergency repair shall be completed within two hours.]

t. No Owner shall alter the postal box without the consent of the PCLT. The PCLT shall be responsible for the maintenance, repair and replacement of any damaged or defective components of the Postal Box assembly.

[Not in ordinance. Unique to a development.]

ARTICLE 3

EASEMENTS

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3.1 There shall be permanent easements in favor of the City and the PCLT over each Parcel as may be reasonable for (*a*) the installation, maintenance and repair of all utility services furnished to the Stanwood Crossings; (*b*) for future drainage or other public purposes over the back 10 feet of the rear yard of each Parcel., and (c) for the installation, maintenance, repair and replacement of any rights-of-way, walkways, bicycle paths, nature trails, and similar improvements. Any of the foregoing easements may be conveyed by PCLT without the consent of any Owner, mortgagee or other person who now or hereafter shall have any interest in any Stanwood Crossings Parcel or Parcels. All of the Owners and mortgagees of Parcels and other persons now or hereafter interested in Stanwood Crossings from time to time shall be deemed to have unanimously consented to such grants of easements or dedications and any amendments of this Declaration to reflect the foregoing easements or transfers of title. All such interested persons irrevocably appoint PCLT as agent and attorney to execute such amendments to the Declaration and all other documents necessary to effectuate the foregoing.

Public utilities shall have access to the Parcels at such times as may be reasonable for the installation, repair or maintenance of such services, and any costs to install, repair or maintain such services shall be the expense of the PCLT.

3.3 No Ownership Rights : The Owner of each Parcel subject to the privileges, rights and Easements shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipers, mains, valves, lines or other equipment or facilities placed on, in, over or under the Property.

ARTICLE 4

Definitions

The following terms as used in the Declaration, shall have the following meanings:

4.1 Declaration: Declaration shall mean and refer to this Declaration, together with any supplements or amendments thereto.

4.2 PCLT: PCLT shall collectively mean and refer to the Portage Community Land Trust LLC, a Michigan Limited Liability Company, together with its successors, legal representatives, grantees, and assigns.

4.3 Owner: Owner shall mean and refer to the record Owner, whether one or more persons or entities, of all or any part of a Parcel which is part of Stanwood Crossings.

4.4 Stanwood Crossings: Shall mean and refer to all Parcels shown in the Site Plan for Stanwood Crossings for which these Declaration govern.

Article 5

REMEDIES

In order to enforce the Standards for the protection of Owners, remedies have been provided for enforcement of the Standards. If a person, firm, corporation or other entity violates or attempts to violate any provision of this Declaration, the Developer or any Parcel Owner, shall be entitled to the appropriate remedies, including but not limited to, those set forth below:

5.1 Suit for Damages: Civil proceedings may be instituted for recovery of damages against those violating or attempting to violate the Standards.

5.2 Injunctive Relief: Civil proceedings may be instituted against those violating or attempting to violate the Standards for the purpose of preventing or enjoining all or any such violations or attempted violations.

5.3 Remedies Cumulative: The remedies set forth in the Master Declaration shall be cumulative and not exclusive. If any other remedies are herein or hereafter provided, they shall be available.

5.4 Non-Waiver: The failure of Developer or Owners to enforce any Standard or any other obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to subsequent thereto.

5.5 Foreclosure: The Developer may bring an action at law against the Owner personally obligated to pay damages recoverable under the terms of this Declaration or file a lien in the same manner in which mortgages on real property may be foreclosed in Michigan. In any such foreclosure, the Owner shall be required to pay the costs and expenses of filing the notice of lien and all reasonable attorney's fees, which costs, shall be required to pay the Developer any assessments against the Parcel which become due during the period of foreclosure. The Developer shall have the right and power to bid at a foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent encumber, use and otherwise deal with the Parcel as Owner thereof. Any suit to recover money for unpaid expenses and assessment shall not be deemed to be a waiver of the lien. Upon payment of all sums secured by the lien, which has been made the subject of a recorded notice of lien, a release of notice of lien shall be executed by PCLT or its representative and recorded in the public records of Kalamazoo County, Michigan.

Exhibit B
Recommended Plantings

Below is a list of natural plant materials recommended for use in the landscaping at Stanwood Crossings. These plantings were selected for their natural character, seasonal color, foliage, and hardiness to Michigan climates. In addition, many provide shelter and/or food for wildlife.

TREES

DECIDUOUS:
Northern Pin Oak
Sugar Maple
Beech
American Chestnut
Red Oak
Serviceberry
Witch Hazel
Redbud
White Dogwood
Alternate Leaf Dogwood
Ash
Crabapple
Sassafras
Paw Paw

EVERGREEN:
White Pine
Red Pine
Canadian Hemlock
Eastern Red Cedar
Douglas Fir
Concolor Fir
Spruce

SHRUBS

DECIDUOUS:
Red Osier Dogwood
Grey Dogwood
Spicebush
Quince
Black Fruit Cotoneaster
Peashrub
Wild Plum
Arrowwood Viburnum
Mariesii Viburnum
Nannyberry
Buckthorn
Sumac
Honeysuckle
Fragrant Sumac

EVERGREEN:
Bayberry
Leucothoe
Rosebay Rhododendron
Catawba Rhododendron
Michigan Holly
Firethorn

PERENNIALS:
Daylily
Black-Eyed Susan
Shasta Daisy
Purple Coneflower
Aster
Wild Lupine
Butterfly Weed
Liatris
Bluebell
Prairie Clover
Blanket Flower
Coral Bell
Foxglove
Spreading Phlox
Trillium
Lance Leaf Coreopsis
Milkweed
Red Clover
Violet
Siberian Iris
Cardinal Flower

GROUND COVER/VINES AND ORNAMENTAL GRASSES

DECIDUOUS:
Bittersweet
Climbing Rose
Virginia Creeper
Big Bluestem
Bird's Foot Sedge
Eulalia Grass
Fountain Grass
Ferns Switch Grass

EVERGREEN:
Yucca
Myrtle
Wintercreeper
Ivy