

DEVELOPMENT AGREEMENT

THIS AGREEMENT, dated as of June 26 2014, is by and between MAGIC PLUS, LLC, a Michigan limited liability company, whose address is 1223 Turner Street, Suite 300, Lansing, Michigan 48912 ("Purchaser") and STATE OF MICHIGAN LAND BANK FAST TRACK AUTHORITY, a public body corporate, whose address is 735 E. Michigan Ave, Lansing, Michigan 48912 ("Seller").

RECITALS:

A. Pursuant to a Purchase Agreement dated as of October 10, 2013, and as amended on January 14, 2014 and April 14, 2014 (the "Purchase Agreement"), a true copy of which is annexed hereto as Attachment 1, Seller and Purchaser established terms, covenants and conditions upon which Seller will sell and Purchaser will purchase the property described therein (the "Property"). As used in this Agreement, all initially capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

B. Purchaser is satisfied with the condition of title of the Property and has elected not to exercise its right of termination under paragraph 3(c) of the Purchase Agreement.

C. Purchaser has completed Purchaser's Inspections (as defined in paragraph 7 of the Purchase Agreement) and has elected not to exercise its right of termination under paragraph 7(c) of the Purchase Agreement.

D. Contemporaneously herewith, Seller and Purchaser are entering into the Escrow Agreement pursuant to which the Conveyancing Documents identified therein are being delivered to Title Source, Inc., as Escrow Agent. Seller and Purchaser acknowledge that the Conveyancing Documents are in proper form for consummation of the sale of the Property at the Closing (as defined in the Purchase Agreement).

E. Seller acknowledges that Purchaser may sell portions of the Property to an affiliate of the Purchaser, a development joint venture of which Purchaser or an affiliate of the Purchaser is a venture partner, a tenant or end user or another development entity that develops such portion of the Property for the benefit of a tenant or end user or some combination of the foregoing (collectively "Developers"), and that Developers will construct improvements thereon.

F. As required by paragraph 8(h) of the Purchase Agreement, this Agreement is being entered into for the purpose of setting forth the performance requirements and penalty provisions that will govern Purchaser's phased development of the Property, including a timeline for actions that are required to be taken by Purchaser before and after the date on which title to the Property is conveyed to Purchaser (the "Closing Date").

NOW, THEREFORE, in consideration of the premises, Seller and Purchaser hereby agree as follows:

1. Performance Requirements Prior to the Closing Date. During the period between the date of this Agreement and the Closing Date, Purchaser shall:

(a) On or before May 31, 2014, a Preliminary Development Plan will be submitted to the Seller consisting of projected gross square footages of retail, multi-family, seniors housing, office, and institutional uses as well as their proposed locations indicated on the site plan. The Preliminary Development Plan will also indicate the Purchaser's preferred location for accommodating the commuter rail/Amtrak station and the Department of Natural Resources ("DNR") Pocket Park subject to written plans required under Sections 1(c) and 1(f) of this agreement.

(b) Within three (3) months after the date hereof, submit a Brownfield Redevelopment Project Application to the Detroit Brownfield Redevelopment Authority ("DBRA"), after conducting preliminary meetings with the DBRA, and as appropriate with the Detroit Economic Growth Corporation, the Michigan Department of Environmental Quality and the Michigan Strategic Fund, to confirm project scope and the information necessary to support the brownfield redevelopment plan and work plans and the procedure for plan development and approval. A copy of the application shall be provided to Seller promptly following its submission.

(c) Within six (6) months after the date of this Agreement, complete a written plan for Transit Oriented Development of the Property, including provision for a commuter rail/Amtrak station and for reasonably direct pedestrian-friendly easements or rights-of-way connecting the station with the bus transit center on Woodward Avenue and with a transit transfer point on Eight Mile Road. If the plan does not include such provisions, Seller reserves the right to change the legal description of the Property attached to the Conveyancing Documents so as to exclude from sale to Purchaser as 150 foot by 1,000 foot strip of land adjacent to the railroad right-of-way. A copy of the plan shall be provided to Seller promptly following its completion.

(d) Within (4) four months after the date of this Agreement, prepare and provide to Seller a written statement of design enhancements that will be incorporated in the site plan to be submitted to the Detroit City Council for approval (the "Site Plan") to address green space and pedestrian-friendly considerations, safety and security concerns and impact of the development on surrounding utility and other infrastructure, after conducting meetings and communications as necessary with the City of Ferndale Planning and Development staff, Woodward Avenue Action Association, Eight Mile Boulevard Association and the consultants working on the Woodward Transit Alternative Analysis and the Complete Streets Master Plan.

(e) Within six (6) months after the date of this Agreement, conduct pre-application meetings with the City Planning Commission and Detroit Planning & Development Department to discuss required amendments to the Detroit Master Plan and the Design Standards and Approval Criteria set forth in or incorporated by applicable sections of the Detroit Zoning Ordinance.

(f) Within (6) six months after the date of this Agreement, prepare and provide to Seller a written plan for integration of the Pocket Park into the Site Plan or for its relocation upon terms acceptable to the DNR.

(g) Within six (6) months after the date of this Agreement, file with the Detroit City Clerk petitions requesting the Detroit City Council to rezone the Property from B4 (General Business District) to PD (Planned Development) and for amendment of the Detroit Master Plan to change the future land use designation of the Property from PR (Regional Park) to MRC (Mixed-Residential/Commercial) or MTC (Mixed-Town Center).

(h) Within nine (9) months after the date of this Agreement, file with the City Planning Commission a complete application for Development Proposal Approval, together with the Site Plan, elevations and other required information (the "Development Plan"). A copy of the Development Plan shall be provided to Seller promptly following its submission.

(i) Within nine (9) months after the date of this Agreement, submit to the DBRA a brownfield redevelopment plan and supporting work plans (collectively, the "Brownfield Plan"), including a description of all eligible activities for tax increment financing, a proposed development agreement and a proposed TIF reimbursement agreement in support of the Brownfield Plan. A copy of the Brownfield Plan shall be provided to Seller promptly following its submission.

(j) Within the time frames provided by the DBRA and Detroit City Council, present the Brownfield Plan to the DBRA and to the Detroit City Council during the public hearings scheduled by them, make such revisions to the Brownfield Plan as are reasonably requested by them and provide to Seller a copy of such revisions (if any).

(k) Participate in the DBRA's presentation of the Brownfield Plan to the Michigan Department of Environmental Quality and/or the Michigan Strategic Fund, make such revisions to the plan as are reasonably requested by them and provide to Seller a copy of such revisions (if any).

(l) Within twelve (12) months after the date of this Agreement, complete public hearings before the City Planning Commission with respect to the Development Plan and obtain CPC recommendation to the Detroit City Council for PD zoning and final Development Plan approval.

(m) Within twelve (12) months after the date of this Agreement, complete public hearings before the Detroit City Council for rezoning of the Property to PD and amendment of the Detroit Master Plan to MRC, MTC or other use designation compatible with the Development Plan.

(n) Within eighteen (18) months after the date of this Agreement, complete all requisite applications, construction drawings, documents, instruments, fees, and other submissions in compliance with this Agreement and applicable laws necessary to satisfy the City for a permit allowing construction of site infrastructure to support the eventual uses as shown in the Development Plan.

2. Remedies for Failure of Performance Prior to the Closing Date. In the event that Purchaser shall determine, prior to the occurrence of a failure of performance of any action as and when required by Paragraph 1 of this Agreement, except for delay caused by a governmental entity under paragraph 1(k) and (l) (each, an "Event of Default"), Purchaser shall notify Seller of

the relevant facts and circumstances as soon as they are known to Purchaser. If Purchaser has not cured the event of default within thirty (30) days after its required date and Seller determines not to waive or modify the performance requirement set forth in Paragraph 1 in order to enable Purchaser to avoid such Event of Default, Purchaser may terminate the Purchase Agreement pursuant to paragraph 2(d) thereof, regardless of when the termination occurs.

3. Performance Requirements After the Closing Date. Until the Purchase Price has been paid in full, Purchaser shall:

(a) Within six (6) months after the Closing Date, have commenced construction on a minimum of twenty five percent (25%) by square footage of the vertical improvements as shown on the Development Plan or have sold to a Developer(s) parcels of the Property sufficient to construct a minimum of twenty five percent (25%) by square footage of the vertical improvements as shown on the Development Plan.

(b) Within twelve months (12) months after the Closing Date, have commenced construction on fifty percent (50%) by square footage of the vertical improvements as shown on the Development Plan or have sold to a Developer(s) parcels of Property sufficient to construct a minimum of fifty percent (50%) by square footage of the vertical improvements as shown on the Development Plan.

(c) Within thirty (30) months after the Closing Date, achieve substantial completion of the vertical improvements as required pursuant to paragraph 3(a)(subject to completion of punch list items).

(d) Within thirty-six (36) months after the Closing Date, achieve substantial completion of the vertical improvements as required pursuant to paragraph 3(b) (subject to completion of punch list items).

(e) Provide to Seller copies of all construction progress reports as and when submitted by or on behalf of Purchaser or Developer(s) to its construction lender(s).

(f) Provide to Seller copies of all financial statements as and when submitted by or on behalf of Purchaser to its members or to any of its lenders.

(g) Any parcel sales to Developers shall be made subject to the same percentage of completion as set forth in paragraphs 3(a) through (d) of the Performance Requirements of the Agreement.

(h) From and after the date on which the first tenant takes occupancy of any portion of the Property owned by the Purchaser, within forty-five (45) days after the end of each calendar quarter, provide to Seller a statement of Gross Lease Revenues realized during the quarter, certified to be true by Purchaser's managing member, together with payment to Seller in the amount of one percent (1%) thereof.

(i) From and after the date on which the first tenant takes occupancy of any portion of the Property owned by the Purchaser, within forty-five (45) days after the end of each calendar quarter, provide to Seller a statement of Net Cash Flow from Operations (as defined in

Exhibit B of the Purchase Agreement) realized during the quarter, certified to be true by Purchaser's managing member, together with payment to Seller in the amount of fifty percent (50%) thereof.

(j) Within forty-five (45) days after the Closing of the sale of any portion of the Property to a Developer, not constituting an Acceleration Event (as defined in Exhibit B of the Purchase Agreement), provide to Seller a statement of the Net Proceeds thereof (as defined in Exhibit B of the Purchase Agreement), certified to be true by Purchaser's managing member, together with payment to Seller in the amount of one percent (1%) thereof.

(k) Upon the occurrence of an Acceleration Event, Purchaser shall provide immediate notice thereof to Seller and within sixty (60) days thereafter Purchaser shall pay to Seller the entire unpaid balance of the Purchase Price. The sale or transfer by Purchaser of any portion of the Property, shall constitute an Acceleration Event if the area of the Property sold or transferred, taken together with the aggregate area of the Property sold or transferred by Purchaser in all prior transactions, exceeds 125 acres. Any financing transaction that is closed after substantial completion of construction of the Project, is secured by a mortgage on all or any substantial part of the Property then owned by Purchaser and results in Net Proceeds to Purchaser that are permitted by the terms and conditions of the transaction documents to be distributed to Purchaser's members, except for repayment of member loans so long as the first mortgage ("First Mortgage") is eighty (80) percent of Loan to Value Ratio ("LTV"), shall constitute an Acceleration Event.

(l) Within ninety (90) days after each calendar year ending after the Closing Date, Purchaser shall provide to Seller annual financial statements for the year then ended. The Seller shall have the right to engage the service of an independent certified public accountant to provide an audit of Gross Lease Revenues, Net Cash Flow from Operations, and Net Proceeds of any sale or financing transaction occurring during the year. In the event of any discrepancy between such amounts and the amounts previously reported by Purchaser, an appropriate cash adjustment shall be made by Seller and Purchaser within thirty (30) days thereafter.

4. Failure of Performance after the Closing Date. In the event that Purchaser or Developer shall fail to commence or to complete construction of one or more phases of the Project within sixty (60) days of the date required by Paragraph 3 of this Agreement then the unpaid balance of the Purchase Price shall be secured by a purchase money mortgage on the Property owned by Purchaser, which shall be subordinated to a single mortgage to an institutional lender at any time outstanding and shall be nonrecourse to the members of Purchaser. If such mortgage, in form and substance acceptable to Seller and Purchaser, is not executed and delivered to Seller within thirty (30) days after written notice, including notice of acceleration, from Seller to Purchaser and after failure of performance as and when required by Paragraph 3 has occurred, then the unpaid balance of the Purchase Price shall become immediately due and payable.

5. Clarification of Terms. For the purposes of paragraph 2(a) of the Purchase Agreement it is agreed that in the event Purchaser shall transfer any portion of the Property to one or more of the members or to an entity controlled by one or more of the members, then any Gross Lease Revenues, Net Cash Flow from Operations or Net Proceeds received by such

member, members or entity shall be considered as received by Purchaser for the purpose of calculating the Purchase Payments to be made pursuant to paragraph 2(a) of the Purchase Agreement.

6. Conflict of Agreements. To the extent of any conflict between the terms of the Purchase Agreement and this Agreement, this Agreement shall control.

7. Notices. Notices shall be deemed as given upon personal delivery to Purchaser or Seller, as the case may be, at its address set forth below (or to such other notice address as shall be established by written notice provided in accordance with this Paragraph 7), or upon delivery by certified mail, postage prepaid, or by a nationally recognized overnight delivery service, sent to such address. Notices shall be addressed as follows:

If to Purchaser: Magic Plus, LLC
1223 Turner Street, Suite 300
Lansing, MI 48906
Attn: Joel I. Ferguson

With a Copy to: REDICO
One Towne Square, Suite 1600
Southfield, MI 48076
Attn: Kenneth G. Till
Senior Vice President Development

and to Reid and Reid
110 W. Michigan Avenue, Suite 750
Lansing, MI 48933
Attn: Patrick T. Reid, Esq.

If to Seller: State of Michigan
Land Bank Fast Track Authority
3022 West Grand Blvd., Suite 4-600
Detroit, Michigan 48202
Attn: Interim Executive Director

With a copy to: Dickinson Wright PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Attention: James N. Candler, Jr.

8. Time is of the Essence. Time is of the essence of this Agreement and the performance of all covenants, agreements and obligations hereunder. Whenever in this Agreement it is provided that notice must be given or an act performed or payment made on a certain date, if such date falls on a Saturday, Sunday or holiday the date for the notice of performance or payment shall be the next following business day.

9. Assignment. Neither party to this Agreement may assign all or any of its rights or obligations hereunder without the prior written consent of the other party.

10. Benefit. The covenants, agreements and undertakings of each of the parties hereto are made solely for the benefit of, and may be relied on only by, the other party hereto, its successors or permitted assigns, and are not made for the benefit of, nor may they be relied upon, by any other person whatsoever.

11. Waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing to the party making the waiver.

12. Amendment. Any change in, addition to, or amendment or modification of the terms hereof shall be of no effect unless reduced to writing and executed by both Seller and Purchaser.

13. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

14. Controlling Law. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan, without giving effect to its conflict of laws provisions.

15. State Mandated Contract Provisions.

(a) Zoning, Safety and Regulatory Compliance. When title passes to Purchaser at Closing, the Property will immediately become subject to certain State safety and regulatory laws and to certain local ordinances and regulations (including zoning and use requirements) to which the Property was not previously subject, because it was owned by the State. Purchaser acknowledges that in certain substantial respects the Property may not comply with such statutes, rules, ordinances and regulations and may have to be substantially altered or repaired to become compliant. Purchaser acknowledges that it will comply with all zoning and use requirements and that the Seller is under no obligation to take any action to bring the Property into compliance with such statutes.

(b) Nondiscrimination. Pursuant to MCL 37.2209 and MCL 37.1209, Purchaser will comply with the Elliot-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 et seq., the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 et seq., and all other federal, state and local fair employment practices and equal opportunity laws. Purchaser covenants that it will not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform duties of a particular job or position. Purchaser agrees to include this covenant not to

discriminate in employment in every subcontract entered into for the performance of this Agreement. A breach of this covenant will constitute a material breach of this Agreement.

(c) Unfair Labor Practices. Pursuant to MCL 423.324, the State may void a contract if Purchaser or any of its contractors, subcontractors, manufacturers, or suppliers appears in the register compiled pursuant to 1980 PA 278, MCL 423,321 et seq. A breach of this covenant will constitute a material breach of this Agreement.

IN WITNESS WHEREOF, the Seller and Purchaser have executed this Agreement, effective as of the day and year first above written.

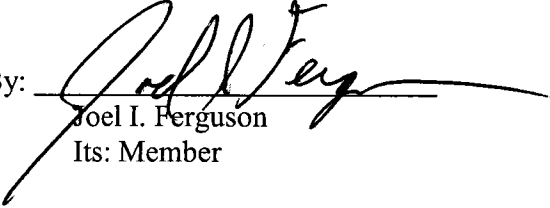
PURCHASER:

SELLER:

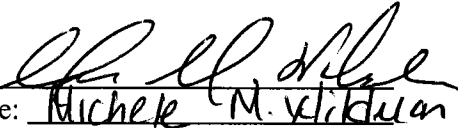
MAGIC PLUS, LLC

STATE OF MICHIGAN LAND BANK FAST
TRACK AUTHORITY

By:


Joel I. Ferguson
Its: Member

By:


Name: Michele M. Wiktor
Its: Executive Director

DETROIT 55755-1 1307280v2 6-10-14

EXHIBIT A

Definition of Terms

1. Vertical Improvements

Vertical Improvements are defined as buildings/structures that house a programmed use such as retail, multi-family, seniors housing, office or institutional and do not include the supporting site infrastructure such as internal roads, parking fields, water retention/detention, sanitary sewer, site electrical, etc.