MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered into on the ____ day of _____ between the **CITY OF GRAND RAPIDS**, the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, and the **CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY**

RECITALS

A. The City of Grand Rapids (the "City") is a Michigan Municipal Corporation and Home Rule City, created and operating pursuant to the Home Rule City Act, Act 279 of 1909, as amended.

B. The Grand Rapids-Kent County Convention/Arena Authority (the "CAA") is an authority created by the City and Kent County, Michigan (the "County") pursuant to Act 203 of the Public Acts of Michigan of 1998, as amended ("Act 203"), for the purpose of acquiring land and the development of certain facilities including entertainment and sports facilities.

C. The City of Grand Rapids Downtown Development Authority (the "DDA") is an authority created by the City pursuant to Act 197 of the Public Acts of Michigan of 1975, as recodified in Part 2 of Act 57 of 2018, as amended, for the purposes of halting property value deterioration, increasing property tax valuation and promoting economic growth within the City.

D. Pursuant to Section 517 of Act 34, Public Acts of Michigan, 2001 as amended, the City issued its $72,770,000 Limited Tax General Obligation Bonds, Series 2024 (the "Bond"), dated June 11, 2024, of which, Twenty Million Five Hundred Thousand Dollars ($20,500,000) is intended for the Project, the debt service to be paid for with DDA revenues (the "DDA Portion of Bonds").

E. The Parties have entered into this Memorandum of Understanding ("MOU") for the purpose of reaching an agreement regarding their respective roles relating to the development, financing, construction, ownership, and operation of the Acrisure Amphitheater in downtown Grand Rapids (the "Project").

UNDERSTANDING

1. Ownership and Operation. Subject to the terms and conditions of this MOU, the CAA shall develop, construct, own and operate the Acrisure Amphitheater in accordance with Act 203, and the CAA's Articles of Organization and Operating Agreement, both dated March 29, 2000, as have been and shall be amended.

2. DDA Portion of Bonds proceeds; Expenditures. The DDA Portion of Bonds in the not-to-exceed amount of Twenty Million Five Hundred Thousand Dollars ($20,500,000) including any interest thereon, shall serve as a portion of the public contribution to the Project, and shall only be used for public tax-exempt purposes in accordance with the financing documents related to the Bond issuance, including but not limited to, the Resolution Authorizing

Limited Tax General Obligation Bonds, Series 2024, adopted on March 19, 2024 and the Order Approving Sale of the Bonds, Dated May 10, 2024. The City shall disperse the DDA Portion of Bonds proceeds to the CAA in accordance with Section 3 herein.

3. Reimbursements from DDA Portion of Bonds proceeds. The CAA, or its duly appointed representative, shall manage the contracts associated with the Project, including evaluating invoices and ensuring proper payment to contractors. The CAA Executive Director and Board Chair or Vice Chair shall, in conjunction with its experts, including but not limited to, its CPA/Finance Director, evaluate project invoices and timely submit written requests for reimbursement from the DDA Portion of Bonds proceeds to the City's Chief Financial Officer, or her authorized delegate. The request for reimbursement shall include the amount requested, date of occurrence, purpose, and copies of any contracts related to the request, including any subcontractors, regardless of whether partial or full payment is being requested. All reimbursement requests must be submitted no later than thirty (30) days upon the CAA's receipt of invoice or payment thereof. The CAA must spend down the DDA Portion of Bonds within two (2) years from the date of this MOU. The CAA is solely responsible for ensuring timely payment to contractors and other aspects of adherence to contract provisions in furtherance of construction of the Project. The CAA shall maintain its vendor status with the City and shall verify all vendor information in the City's financial system and facilitate any necessary updates, including bank information. The City shall provide the CAA with a current drawdown schedule, as it may be amended from time to time, an accounting of all DDA Portion of Bonds proceeds, interest earned, and reimbursements paid through the end of each month by the 20th of the following month.

4. Bond Debt Service. The DDA has pledged to pay the debt service owed on the DDA Portion of Bonds. The DDA shall pay such debt service to the City in a timely matter from DDA revenues generated by current and future tax increment financing. The DDA shall account for the annual debt service payments in its budget. Since the City collects and manages all DDA revenues, the City shall deduct the debt service payments, when due, on the DDA Portion of Bonds from the DDA's Local Tax Increment Fund. The City shall deposit such debt service payments into a City account exclusively established for the repayment of the DDA Portion of Bonds.

5. City Reporting Requirements to DDA. During the development and construction of the Project and ending upon exhaustion or defeasance of the DDA Portion of Bonds, the City shall, as part of its regular financial reporting to the DDA Board, provide monthly written progress reports to the Board of the DDA, which shall include, at a minimum, an accounting of the DDA Portion of Bonds proceeds, interest earned, reimbursements paid, and any other material financial information related to the debt incurred for the Project. Additionally, the City shall provide a Balance Sheet to the DDA Board, which shall include a note with the outstanding principal balance, amount and date of the next debt service payment, and year the final maturity is paid.

6. State Funds. The Parties acknowledge and understand that State of Michigan funds in the estimated amount of $30,000,000 have been made available for the costs of the Project and shall be controlled, managed, and expended by the CAA in accordance with its agreement with the State.

7. Kent County Funds. The Parties acknowledge and understand that Kent County funds in the estimated amount of $15,000,000 have been allocated toward the costs of the Project and shall be controlled, managed, and expended by the CAA in accordance with its agreement with Kent County.

8. Private Contributions. The Parties acknowledge and understand that private contributions in the estimated amount of $_____ will be available for the costs of the Project.

9. Relationship with Grand Action 2.0. The City and the DDA acknowledge and understand the CAA's ongoing cooperation with Grand Action Committee 2.0, a non-profit organization ("GA2.0"), in furtherance of the Project. Among other actions, the CAA shall continue to work with GA2.0 to organize and conduct a fund raising campaign to obtain and provide from private sources the remainder of the funds required for development and construction of the Project and to obtain and coordinate certain contracts related to the Project.

10. Amphitheater Project Committee. Two (2) representatives from the CAA, two (2) representatives from the City, and two (2) representatives from the DDA, as well as the CAA CPA/Finance Director, a representative from Concord Management Group, and a representative from Progressive AE, shall compose an Amphitheater Project Committee, which shall meet no less than monthly on a regular recurring schedule to discuss general topics relating to the Project, including but not limited to, construction progress and fundraising status. The DDA shall be responsible for coordinating and scheduling the Amphitheater Project Committee meetings.

11. Representations and Warranties. The Parties hereby each represent, warrant and covenant that: (i) they shall comply with all applicable federal, state and local laws, rules and regulations in carrying out their obligations hereunder; (ii) they have the power and authority to execute and deliver this MOU and to perform their respective obligations hereunder; (iii) the execution, delivery and performance of this MOU have been duly and validly authorized and approved; (iv) the execution, delivery and performance by each Party in accordance with the terms herein of this MOU do not and will not constitute a violation or a breach of, or constitute a default under any organizational documents, any applicable law, or any material agreements to which it is a party; and (v) each is duly formed, validly existing and in good standing under the laws of the State of Michigan, with full power and authority to conduct its business as presently conducted.

12. Relationship of Parties. It is mutually understood and agreed that each Party and their respective employees and agents are at all times acting and performing separately and independently of each other and shall in no way or manner represent themselves as agents or employees of the other Party. As such, no Party shall incur any expenses nor create any liens, encumbrances or legal obligations in another Party's name or against another Party's interests except as contemplated by this MOU. This MOU shall not create a joint venture, partnership, or relationship of principal and agent or employer and employee between the Parties, except as contemplated by this MOU.

[*Signature page follows.*]

IN WITNESS WHEREOF, the City, the CAA, and the DDA have caused this MOU to be duly executed by their authorized representatives as of the date first written above.

CITY OF GRAND RAPIDS

By:_____
Rosalynn Bliss, Mayor

By:_____
Joel H. Hondorp, City Clerk

GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

By:_____
Name: Richard A. Winn
Its: Chairperson

CITY OF GRAND RAPIDS DOWNTOWN DEVELOPMENT AUTHORITY

By:_____
Name: Kayem Dunn
Title: Vice Chairperson

Signature Page to Memorandum of Understanding