

AGENDA
COMMITTEE OF THE WHOLE MEETING OF THE CARO CITY COUNCIL
AUGUST 5, 2025, 5:30 P.M.
317 S STATE ST – COUNCIL CHAMBERS

CALL TO ORDER

PUBLIC COMMENTS/VISITORS:

COMMUNICATIONS:

1. Letter from Norman Daniels

BUSINESS ITEMS:

1. Van Geisen Road Subdivision Property Discussion

ADJOURN

Caro City Council Members

RE: Planned Unit Development Proposal

I am secretary of the Almer Charter Township Planning Commission. I also have a Real Estate Brokers License and a Residential Builders License. I am retired from the Michigan Treasury Department in Property Tax Administration where I was employed for 34 years. After retirement I did property appraisals for several counties for the next 17 years.

My comments are based on the newspaper article of July 9, 2025

1. The \$1,000 suggested sale price is far from reasonable. An appraisal needs to be completed to establish an estimated value of the property.
2. Beyond the appraisal, I would suggest that the City ask for bids from other potential purchasers. We have a number of developers in the area that may be willing to pay more than the appraised value of the property.
3. The fact that there is no concrete timeline for the completion of the project gives the proposed purchaser unlimited control of the property for an unspecified amount of time into the future.
4. Waiving utility connection fees is not consistent with other property owners who are required to pay connection fees. Until a complete plan is submitted by the developer, you do not know what they intend to connect to city water and sewer lines. Would the city be required to upgrade water and sewer lines at taxpayer expense?
5. City of Caro being required to pay all closing costs for the sale. This is negotiable but closing costs are going to be much more than the \$1,000 proposed purchase price.
6. The proposed developer's comment that they focus on building four and five bedroom homes does not meet with the need for affordable homes in our community. A 4 or 5 bedroom home would probably have an asking price of \$500,000 to \$1,000,000.

to delegate their responsibilities and/or sell it to another party.

I believe there are better options for the benefit of Caro citizens and taxpayers than this proposal.

Norman Daniels njdaniels.43@gmail.com

Tax Increment Financing Authorities (TIFAs) across the state in financial trouble, looking to taxpayers for help

They collect taxes. They borrow money. They pay interest on their loans. They spend money on public improvements to entice businesses to locate in specific areas.

And they may have the most bureaucratic of names ever coined: tax increment financing authorities.

In Michigan's capital city, a TIFA allowed the city to bulldoze porn shops, build a convention center, erect a handsome ballpark for the Lansing Lugnuts and refurbish a dowdy downtown. Just this month, a TIFA in Grand Rapids issued a \$100,000 grant for a study on how to restore the rapids in the Grand River that gave Michigan's second-largest city its name.

There are hundreds of such units across Michigan, many with their own local tales of success. They are operated largely out of public's attention, but wield the taxpayers' backing to cover their financial calls.

And, thanks in no small part to Michigan's property value fall of the last decade, TIFAs are running into financial trouble, and casting an eye toward taxpayers for help.

In Lansing, the city's already stretched of as much as \$2 million in the fiscal year starting July 1, 2013, because Lansing's TIFA is short of cash.

An audit of Lansing's TIFA for the fiscal year ending June 30, 2011 showed a deficit (assets minus liabilities) of \$34.3 million, including long-term debt of \$25.3 million.

A Bridge review of a handful of those local audits from 2011 found that downtown development authorities and other types of tax increment financing authorities in Battle Creek, Detroit, Lansing and Pontiac were carrying a combined \$178.6 million in long-term debt.

That debt requires annual bond payments over the next 20 to 30 years, payments that are guaranteed by the full faith and credit of local units of government that already are struggling to provide basic services to residents.

Several specialists in local government finance say taxpayers could be on the hook for hundreds of millions of dollars in bond payments that local tax increment financing authorities are struggling to pay.

But no one knows for sure because state officials don't analyze the audit reports that the approximately 1,300 local tax increment financing authorities file annually with the Treasury Department.

"The data is not aggregated. Nobody really tracks it," said Eric Scorsone, a former senior economist at the state Senate Fiscal Agency. "It's completely unclear at this point how effective these things are."

How Tax Increment Financing Works

Tax increment finance districts capture tax revenues from the increased value, or "increment," created by new development.

Using a downtown development authority in a community that assesses 36 mills as an example:

Base year taxable value before new development occurs: \$3 million

Taxable value of property after new development occurs: \$5 million

"Captured" tax value: \$2 million

Multiple \$2 million by 36 mill tax rate: \$72,000 in tax increment revenue.

development authority.

Property Values Go Up, Go Down

Tax increment financing has been used for decades by local governments to promote downtown development, rehabilitate blighted neighborhoods, attract high-tech companies and pursue other projects.

"There's been a remarkable amount of downtown development because of our tax increment finance authority," said Robert Trezise, president of the Lansing Economic Area Partnership and the former head of the Lansing Economic Development Corp.

"Lansing is not unique (with its financial challenge)," Trezise said. "This is literally a result of the worldwide economic collapse. The value of our commercial property fell 33 percent in 2011. You can't recover from that."

"I'm all for finding new ways to spur investment in our central cities – especially as a downtown Lansing resident," countered Lansingite Graham Davis. "However, I'm concerned about how the city's TIF district shortfall will play out. We need to find new ways to encourage growth in downtowns like Lansing that don't decimate the city's budget long-term. I'd rather pay slightly more in taxes and have the city continue to aggressively pursue brownfield redevelopment efforts than see the city's progress stymied for decades while we pay off the TIF."

Between 2007 and 2011, Michigan property values dropped \$180 billion, when adjusted for inflation,

The city of Lansing dropped from \$5.75 billion in 2007 to \$4.23 billion in 2011, a nearly 27 percent fall.

Trouble for Number of Cities

Battle Creek's downtown development authority, which uses TIFA financing, had a deficit of \$40.2 million, including long-term debt of \$43.4 million, according to an audit of its operations for the fiscal year ending June 30, 2011.

Detroit's Local Development Finance Authority, which helped finance construction of Chrysler's Jefferson North assembly plant and other projects, had a deficit of \$30.4 million last year and long-term debt obligations of \$58 million.

Pontiac's TIFA had a deficit of \$48 million and long-term debt obligations of \$51.3 million.

Not all are struggling. Grand Rapids' TIFA, which captures taxes to aid development in several parts of the city, ended its 2011 fiscal year with a fund balance of \$1.4 million and long-term debt of \$820,000.

TIFAs in Battle Creek, Detroit, Lansing and Pontiac, while reporting large accumulated deficits, brought in enough tax revenues to pay for operations last year, according to their audited statements.

Battle Creek finance director Linda Morrison said the city's downtown development authority should bring in enough future revenue to make its bond payments without a subsidy from the city's general fund.

"We do not expect anything like that to happen," she said.

There are some 1,300 TIFAs in Michigan that are expected to capture \$280 million in local property tax revenues this year, according to the state Treasury Department.

That's up from about \$150 million in 2006, an 86 percent increase. (Adjusted for inflation to 2012 figures, the increase is about 65 percent.)

But beyond those figures, state officials say they have little information about the financial condition of TIFAs or the debt they're carrying. Treasury does not compile or analyze the data on a statewide basis, according to spokesman Terry Stanton.

While the purpose of TIFAs is to attract new investment and create jobs, no statewide data exists either on how much economic development has been created by these "tax capture" tools.

"Tax capture was created as an economic development tool that was intended to create jobs, by statute. However, there is no audited data to verify that this is actually an effective job creation tool," said Michigan Library Association President Gretchen Couraud, who has extensively

There are eight different types of tax capture authorities allowed by state statute for downtown development, neighborhood improvement, brownfield redevelopment and other uses.

The first of these was the Downtown Development Authority Act in 1975. In a briefing paper last year, the Michigan Library Association said TIFAs had proliferated throughout the state with little oversight beyond the **unelected** local boards that administer them.

"They have been liberally expanded many times over from their original purpose," Scorsone said. "At same time, it raises lots of questions. Is this the economic development policy we need and want, and is this way to go?"

TIFAs are experiencing financial problems for the same reason that the local governments that created them are struggling: a steep decline in property values over the past five years.

The value of the "increment" -- the additional tax base created by new development -- has plunged across the state, experts say. TIFAs use that revenue to pay for public improvements related to new development and to fund their own operations.

"When you go through this unprecedeted period we've gone through, the increment is gone," said Eric Luper, director of local affairs at the nonpartisan Citizens Research Council of Michigan. "There is no money to do the things TIFAs are supposed to do."

TIFAs could take another hit if the state eliminates the personal property tax without replacing the revenue collected by local units of government. Personal property taxes also are subject to tax capture.

In some cases, TIFAs are capturing portions of voter-approved millages for public services such as libraries, and police and fire protection, and using the revenue on economic development work.

Steve Wade, president of the Litchfield District Library Board in Hillsdale County, said he has mixed feelings about that practice.

Voters in the city of about 1,300 residents approved a 1-mill levy to support the library in 1997. But nearly \$28,000 in tax revenue -- an amount equal to 47 percent of the library's \$60,000 annual budget -- was captured last year by a TIFA created to aid in the development of an industrial park in the city.

"Would the library be able to better serve the community if we had the entire amount? Sure," Wade said.

But the industrial park has brought new residents to town and expanded the tax base, he said, increasing the amount of revenue generated by the library's dedicated millage.

And the local TIFA has offered to help Litchfield pay for a new library, which is now housed in a rented building that has a leaky roof.

"As a library board president, I can see the potential for problems," Wade said. "The TIFA board is appointed by the city council and it's one step removed from direct representation. But ours has been quite successful."

Scorsone said he's concerned about appointed boards spending publicly voted tax dollars.

"TIFAs are a second or third wave away from elected officials," he said. "It raises questions about accountability and the democratic process."

Types of Tax Increment Financing in Michigan

Downtown Development Authority

Purpose: Authorized by Public Act 197 of 1975. Allows local authorities to collect and levy taxes, issue bonds and spend tax dollars within the boundaries of downtown to support new development.

Tax Increment Finance Authority, Public Act 450 of 1980

Purpose: Prevent urban deterioration and encourage economic development and activity. No new TIFAs were allowed after 1987 and geographic boundaries could not be expanded after that year.

Local Development Financing Act, Public Act 281 of 1986

Purpose: Prevent "conditions of unemployment" and promote economic growth. Properties eligible to be included in LDFA districts must be engaged in manufacturing, agricultural processing or high-technology activity. Business incubators also are eligible for inclusion.

Purpose: Promote the redevelopment of “tax-reverted, blighted or functionally obsolete property.”

Historic Neighborhood TIFA Act, Public Act 350 of 2004

Purpose: Use tax increment financing to fund improvements in historic neighborhoods, including streets, pedestrian malls and other public improvements.

Corridor Improvement Authority Act, Public Act 280 of 2005

Purpose: Prevent deterioration and redevelop run-down property in business districts. Encourage historic preservation.

Neighborhood Improvement Authority Act, Public Act 61 of 2007

Purpose: Prevent property deterioration in neighborhoods and improve property. Promote residential and economic growth.

Water Resource Improvement TIFA Act, Public Act 94 of 2008

Purpose: Improve water quality on inland lakes by using TIFA funds to fight invasive species and working to halt pollution from failing sewer systems and storm sewer runoff.

Source: Michigan Department of Treasury

Residential vacant land sales located in the City of Caro and Indianfields Township 2021 - Present.

Valuation	Parcel	Address	Sale Date	Sale Price	Conf.	Page	Total Acre	Total Sq Ft	Total Front Ft	ROW (Sq Ft)	Improvs	Other Parcels	in Sale	Comments	Use?	1=Y, 0=N
Vacant	050-034-000-2900-00	Luder Rd.	04/23/2021	\$10,000	147/855	3.32	144.619		2178	\$0	none					1
Vacant	013-009-100-0200-09	Western Ridge	12/04/2023	\$13,000	1543/950	1.77	77,101		0	\$0	none					1
Vacant	050-004-400-1600-01	1724 Van Geisen Rd.	02/02/2023	\$3,500	1525/926	0.769	33,498		5404	\$0	none					1
Vacant	050-500-631-0700-00	633 W. Sherman St.	05/11/2022	\$10,000	1508/517	0.22	9,583		0	\$0	none					1
Vacant	050-500-525-0400-00	125 Quinn St.	03/11/2021	\$4,000	1473/476	0.183	7,971		0	\$0	none					1
Vacant	013-009-100-0200-13	Western Ridge	11/29/2023	\$14,000	1543/843	2.47	107,593		0	\$0	none					1
Vacant	050-500-200-1100-00	Meadow Dr.	11/01/2021	\$10,000	1494/210	0.491	21,388		0	\$0	none					1

Land value conclusions utilizing the sales data listed above.

If you're using the Acreage Table in Assessing.net				
SqFt	Acres	\$/sf	\$/Ac	Concluded \$
43,560	1.0	\$0.20	\$8,738	\$8,738
65,340	1.5	\$0.15	\$6,497	\$9,745
87,120	2.0	\$0.12	\$5,264	\$10,529
108,900	2.5	\$0.10	\$4,472	\$11,180
130,680	3.0	\$0.09	\$3,914	\$11,742
174,240	4.0	\$0.07	\$3,172	\$12,687
217,800	5.0	\$0.06	\$2,694	\$13,471
304,920	7.0	\$0.05	\$2,107	\$14,747
435,600	10.0	\$0.04	\$1,623	\$16,232
653,400	15.0	\$0.03	\$1,207	\$18,102
871,200	20.0	\$0.02	\$978	\$19,559
1,089,000	25.0	\$0.02	\$831	\$20,768
1,306,800	30.0	\$0.02	\$727	\$21,812
1,742,400	40.0	\$0.01	\$589	\$23,567
2,178,000	50.0	\$0.01	\$500	\$25,024
4,356,000	100.0	\$0.01	\$302	\$30,153

LAND PURCHASE AGREEMENT

This LAND PURCHASE AGREEMENT (this “Agreement”) is made on _____, by and between GREEN DEVELOPMENT VENTURES, LLC, a Michigan limited liability company of 2186 E. Centre Ave., Portage, MI 49002 (“Purchaser”) and the CITY OF CARO, a municipal corporation of 317 S. State Street, Caro, MI 48723 (“Seller”) as follows:

BACKGROUND

Seller desires to sell, and Purchaser desires to purchase four (4) parcels of Land totaling approximately 7.64 acres of Land, located in the City of Caro, Tuscola County, Michigan (the “Land” or the “Parcels”).

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS SET FORTH HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Land. Seller agrees to sell, and Purchaser agrees to purchase four (4) parcels of Land totaling approximately 7.64 acres of Land, located in the City of Caro, Tuscola County, Michigan, as described on the attached Exhibit A. The parties will agree to precise legal descriptions of the Parcels prior to Closing.

2. Purchase Price. The total Purchase Price shall be one thousand dollars (\$1,000).

The Purchase Price shall be delivered at Closing in immediately available funds subject to the terms and conditions stated in this Agreement. The Purchaser’s obligations under this Agreement are not contingent upon financing.

3. Investigation Period; Right to Terminate. The “Investigation Period” shall expire twelve (12) months following the date this Land Purchase Agreement has been executed by both parties (the “Effective date”). During the Investigation Period, Purchaser shall have the right to have the Land inspected, surveyed, evaluated, analyzed, tested, appraised and/or assessed for any matter whatsoever, including but not limited to, market value; soil conditions; location of flood plains; presence of wetlands and necessary mitigation, if any; storm water drainage systems; presence of environmental contamination; health and safety conditions; access to utilities; access to public roads; zoning; compliance with laws, codes and ordinances and any other matter desired by Purchaser. Seller hereby grants Purchaser and Purchaser’s agents, employees, representatives, consultants, and contractors a nonexclusive license during the term of this Agreement, to enter and have access to the Land for purposes of having such investigations performed and the right to discuss the Land and the conditions related thereto with governmental authorities. Purchaser may choose to have Contractors perform site investigation work on site. During the Investigation Period, and any extensions thereof, Purchaser has sole discretion to terminate this Agreement.

4. Payment of Property Taxes. Property taxes for the year of Closing shall be prorated as of the date of Closing on a calendar basis based upon the amount of such taxes if known at the time of Closing.

5. Closing Deadline; Contingencies. The parties agree to schedule a Closing at the earliest possible time following the later of the end of the Investigation Period, the City's approval of a TIF/Brownfield Plan, or the Purchaser's ability to obtain all governmental approvals.

6. Seller's Closing Deliveries. At Closing, Seller shall deliver to the Purchaser, the following items, which shall be in a form and substance satisfactory to Purchaser:

A. A Warranty Deed conveying to Purchaser title to the Land, executed and acknowledged by Seller in recordable form;

B. An ALTA fee owner's policy of title insurance or equivalent coverage from Devon Title Company (the "Title Policy") in an amount not less than the Purchase Price insuring Purchaser as owner of fee simple, indefeasible title to the Land without standard exceptions, and subject only to the following permitted exceptions (the "Permitted Exceptions"): (1) the lien prorated property taxes not yet due and payable, (2) utility easements serving the Land, (3) other matters described in Section 9 and 10, (4) any matter arising as a result of any act or omission of Purchaser; and (5) such other matters that are not objected to by Purchaser.

C. Such other documents, including a signed Closing Statement, as are necessary and appropriate for the consummation of this transaction by Seller.

7. Purchaser's Closing Deliveries. At Closing, Purchaser shall deliver to Seller, the Purchase Price and such other documents, including a signed Closing Statement, as are necessary and appropriate for the consummation of this transaction by Purchaser.

8. Closing Costs and Prorations. Seller shall pay or reimburse Purchaser for (i) all transfer and/or conveyance taxes, if any, assessed in connection with Closing, (ii) the premium for the Title Policy, (iii) one half (1/2) of any closing fee charged by the title company in connection with this transaction, and (iv) any special assessments (sewer or otherwise but not including hook-up fees or associated costs of the same) that currently exist against the Land. Seller shall be responsible for and pay all past due real estate taxes and assessments at or prior to Closing. This obligation shall survive Closing. Other regular and customary costs and expenses related to the Land shall also be prorated based on the date of Closing.

9. Title. Purchaser shall order a commitment for an owner's policy of title insurance from Devon Title Company (the "Title Policy") within ten (10) days of the date of this Agreement. After Purchaser has received both the title commitment and the Survey described in Section 10 below (if obtained), both in a form satisfactory to Purchaser, the Purchaser shall deliver written notice of any objections Purchaser has to the title commitment. Seller shall have five (5) days from receipt of such notice of objections to provide written notice to Purchaser as to whether Seller will cure such objections at or before Closing. If Purchaser notifies Seller of the existence of defects rendering title unmarketable and should Seller fail to effect cure of such defects by Closing,

Purchaser may, at its option: (1) extend the time for Seller's performance hereunder only if Seller so requests, (2) waive such objections, or (3) terminate this Agreement.

10. Survey. Within ten (10) days of the date of this Agreement, Purchaser may order, at its expense, a new ALTA survey of the Land (the "Survey"), showing the legal description of the Land, any boundary encroachments that may impact the Land, all easements affecting the Land and such other matters desired by Purchaser.

11. Environmental Matters. Purchaser may, at its expense, conduct such environmental site evaluations of the Land as it deems appropriate including, without limitation, a Phase I and Phase II environmental site assessment and/or a Baseline Environmental Assessment (collectively, the "Site Investigation Reports").

12. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that to the best of Seller's knowledge, as of the date hereof and on the date of Closing, which representations and warranties shall survive Closing, but without additional investigation by Seller:

A. Seller has the right, power and authority to enter into this Agreement and to sell the Land in accordance with the terms hereof, and Seller has granted no option or right of first refusal to any other person or entity to purchase the Land and has not entered into any contract to sell the Land as of the date of the Agreement. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller thereto.

B. Seller has not received any notice of, and has no knowledge of, existing violations on the Land or any portion thereof of any zoning, building, fire, health, pollution, environmental protection, hazardous or toxic substance or waste disposal law or ordinance.

C. At Closing, there will be no parties in possession of the Land or entitled to possession thereof other than Seller. There will be no leases, agreements, options or other instruments or agreements in effect with respect to the Land.

D. There are no existing or pending condemnations or sales in lieu thereof with respect to the Land, or any part thereof, nor have any such actions, suits, proceedings or claims been threatened or asserted.

E. Seller has the right to, and will convey to, Purchaser the Property pursuant to the Warranty Deed.

F. All general real estate related property taxes and assessments shall have been paid when due. There are no delinquent assessments. Except for any ordinary accruals of dues, no future assessments against the Land have been announced.

G. There is no litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against or involving Seller or the Land, and Seller does not know or have reason to know of any grounds for any such litigation, proceeding or investigation, which could

have an adverse impact on Purchaser or Purchaser's title to or use of the Land, either before or after Closing.

H. All federal, state and local real estate, personal property and other taxes relating to the Land (other than those not currently due and payable) shall be properly paid on or before Closing. Seller has not received any notice of assessment or proposed assessment in connection with the Land.

I. Seller is not a "foreign person" as that term is defined in section 1445 of the Internal Revenue Code of 1986, as amended.

J. The Land and Seller are in full compliance with all requirements of federal, state and local environmental, health or safety laws, regulations and administrative or judicial decrees, as amended (the "Environmental Laws").

K. With the exception of the documents provided by Seller to the Purchaser, there are no reports, studies, appraisals, engineering reports, correspondence, agreements with governmental authorities, wetland studies or reports, flood plain studies or reports and/or other written information related to the Land of which Seller is aware or that are in Seller's possession or control.

L. The Land is not subject to a Farmland Development Rights Agreement or similar agreement restricting development of the Land.

13. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller, which representations and warranties shall survive Closing, that as of the date hereof, and on the date of Closing:

A. Purchaser has the full power and authority to execute, deliver and perform this Agreement and all of Purchaser's obligations under this Agreement; and

B. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Purchaser are and shall be duly authorized to sign the same on Purchaser's behalf and to bind Purchaser thereto.

14. Indemnification. Seller agrees to indemnify and hold Purchaser and its managers, members, and successors and assigns and their members, managers and representatives (the "Purchaser Group") harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, including but not limited to, all expenses related thereto, including, without limitation, court costs and attorney's fees for matters (i) arising or accruing prior to Closing and which are in any way related to the ownership, maintenance, or operation of the Land; and/or (ii) arising from or related to the inaccuracy or breach of any of Seller's representations and warranties. Purchaser agrees to indemnify and hold Seller and its managers, members, and successors and assigns and their members, managers and representatives (the "Seller Group") harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, including but not limited to, all expenses related thereto, including, without limitation, court costs and attorney's fees for matters (i) arising or accruing after Closing and which are in any way related to Purchaser's ownership, maintenance, or operation of the Land; and/or (ii)

arising from or related to the inaccuracy or breach of any of Purchaser's representations and warranties. It is expressly stipulated and agreed that the provisions of this Section shall survive Closing.

15. Default and Remedies.

A. Purchaser's Default; Seller's Remedy. If the Purchaser fails to close on the purchase of the Land, Seller may, as its sole and exclusive remedy terminate this Agreement by giving an appropriate Notice of Default as provided below.

B. Seller's Default; Purchaser's Remedies. In the event Seller fails to timely perform any material act, or provide any material document or information required to be provided by Seller, or in the event any Representation and Warranty made by Seller pursuant to this Agreement is untrue when made, then Purchaser shall be entitled to either (i) terminate this Agreement, and seek Purchaser's actual damages arising from Seller's breach; or (ii) seek specific performance of this Agreement, and seek Purchaser's actual damages provided, however, there will be no specific performance if Seller's failure to close is caused by its inability to clear a title exception, and in such event Purchasers' damages will be limited to its direct out-of-pocket costs for entering into this Agreement.

C. Notice of Default. In the event either party declares the other to be in default, such declaration shall be in writing, with an outline of the actions required to cure such default. The recipient of such notice of default shall have 30 days to cure the alleged default.

16. Attorneys' Fees. The prevailing party in any legal proceeding brought under or with relation to this Agreement or transaction shall be entitled to recover court costs, reasonable attorneys' fees and all other litigation expenses from the non-prevailing party.

17. Sale and Assignment of Agreement. Purchaser shall have the right to assign all of its rights and delegate all of its obligations under this Agreement to another entity, provided however, that no assignment shall operate as a release of the Purchaser.

18. Confidentiality. The parties hereto agree to keep the terms and provisions of this Agreement strictly confidential with the exception of disclosures to their respective attorneys, financial consultants, lenders, investors and other persons or entities necessary for consummation of this Agreement and for Purchaser's purposes as provided above.

19. Miscellaneous.

A. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

B. This Agreement shall be governed by and construed under the laws of the state of Michigan.

C. This Agreement supersedes all prior discussions and agreements between Seller and Purchaser with respect to the conveyance of the Land and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect

thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and signed by both Seller and Purchaser.

D. All notices, payments, demands or requests required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or served effective on the second (2nd) business day after being deposited in the United States mail, postpaid and registered or certified with return receipt requested; or when sent by private courier service for same-day delivery or one day after being sent by private courier service for next-day delivery. Notices shall be sent via e-mail and also to the respective addresses set forth below:

To Seller:

CITY OF CARO
ATTN: _____
317 S. State Street
Caro, MI 48723
E-mail: _____

To Purchaser:

Green Development Ventures, LLC
ATTN: Thomas M. Larabel
795 Clyde Ct., SW
Byron Center, Michigan 49315
tlarabel@allenedwin.com

With a copy to:

Eric J. Guerin
2186 E. Centre Ave.
Portage, Michigan 49002
eguerin@allenedwin.com

Brian Farkas
795 Clyde Ct., SW
Byron Center, Michigan 49315
bfarkas@allenedwin.com

Alexandra Kruh
795 Clyde Ct., SW
Byron Center, Michigan 49315
atyra@allenedwin.com

E. This Agreement shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

F. Allen Edwin Realty, L.L.C., is a broker for Purchaser, and it waives any buyer-side commission.

G. Seller agrees to waive any connection fees for water and sewer service to the Parcels.

H. Seller agrees to work with Purchaser in pursuit of grants to defray the cost of development.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SELLER:
CITY OF CARO

By:
Its:

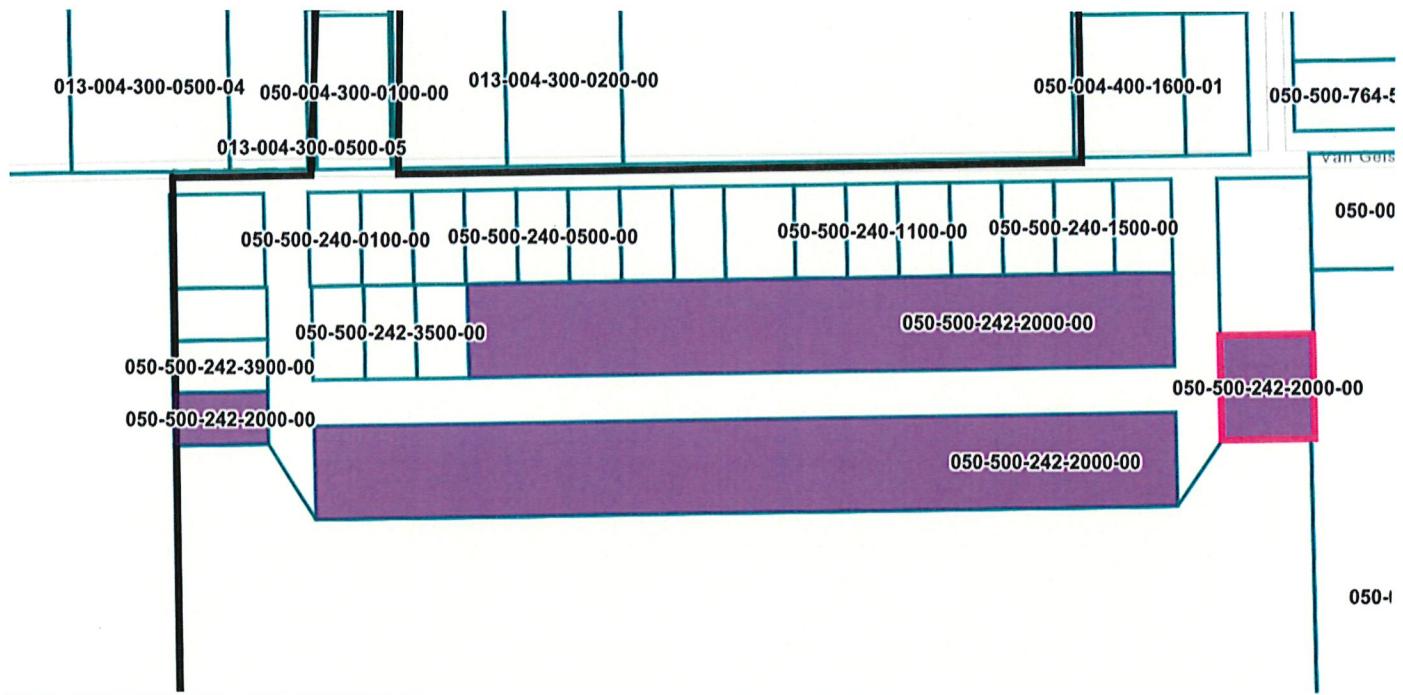
PURCHASER:
GREEN DEVELOPMENT VENTURES, LLC

By: Thomas Larabel
Its: Vice President

EXHIBIT A
 V/L Van Geisen Rd.
 4 Parcels
 City of Caro, Tuscola County, Michigan

Land to Purchase:

PARCEL NO.	ACREAGE
050-500-242-2000-00	3.82
050-500-242-2000-00	3.13
050-500-242-2000-00	0.46
050-500-242-2000-00	0.23



The parties will agree to precise legal descriptions of each Parcel prior to Closing.