THIS SERVICE AGREEMENT (the "Agreement") dated this April 11, 2017

BETWEEN

Tax Increment Finance Authority III of 2345 Meridian St., Sault Ste. Marie, MI 49783
(the "Customer")

- AND -

Sault Ste. Marie Economic Development Authority of 2345 Meridian St., Sault Ste. Marie, MI 49783
(the "Service Provider").

BACKGROUND:

1. The Customer is of the opinion that the Service Provider has the necessary qualifications, experience and abilities to provide services to the Customer.

2. The Service Provider is agreeable to providing such services to the Customer on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Customer and the Service Provider (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

Services Provided

3. The Customer hereby agrees to engage the Service Provider to provide the Customer with services (the "Services") necessary under **THE TAX INCREMENT FINANCE AUTHORITY ACT 450 of 1980:**

   i. Study and analyze the impact of growth upon development areas.
   ii. Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.
   iii. Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.
   iv. Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the development area, and take such steps as may be necessary to implement the plans to the fullest extent possible.
   v. Implement any plan of development in a development area necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

4. Referencing the Local TIFA III Plan duties will include Smartzone development, land preparation and marketing, recreation development, maintenance, repair and upgrade of TIFA III improvements.

5. The Services will also include any other tasks which the Parties may agree on. The Service Provider hereby agrees to provide such Services to the Customer.

Term of Agreement

7. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and will auto renew.

8. In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 30 days notice to the other Party.

9. Except as otherwise provided in this Agreement, the obligations of the Service Provider will end upon the termination of this Agreement.

Performance

10. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

Compensation

11. For the services rendered by the Service Provider as required by this Agreement, the Customer will provide compensation (the "Compensation") to the Service Provider as follows:

    • The Customer will pay the Service Provider annually as agreed upon during the annual budget process between the Tax Increment Finance Authority III Board, the Economic Development Board and lastly, with final say, the City Commission.

12 The Compensation will be payable prior to June 30 of the applicable fiscal year.

Provision of Extras

13. The Customer will not provide any resources, assistance or extras for use by the Service Provider in providing the Services.

Reimbursement of Expenses

14. The Service Provider will not be reimbursed for expenses incurred by the Service Provider in connection with providing the Services of this Agreement.

Capacity/Independent Contractor

15. In providing the Services under this Agreement it is expressly agreed that the Service Provider is acting as an independent contractor and not as an employee. The Service Provider and the Customer acknowledge that this Agreement does not create a partnership or joint venture

between them, and is exclusively a contract for service.

Modification of Agreement

16. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

Time of the Essence

17. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

Assignment

18. The Service Provider will not voluntarily or by operation of law assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Customer.

Entire Agreement

19. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

Enurement

20. This Agreement will ensure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

21. **Governing Law**

22. It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the MICHIGAN, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

23. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

Waiver

24. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the

same or other provisions.

CITY OF SAULT STE. MARIE ECONOMIC DEVELOPMENT CORPORATION

By: Jeff Holt – EDC Director

Signature: _____

Date: 4-11-17

TAX INCREMENT FINANCE AUTHORITY UNIT III - CHAIRPERSON

By: Mr. Tom Veum

Signature: _____

Date: 4/11/17