



CITY of NOVI CITY COUNCIL

Agenda Item F
January 28, 2013

SUBJECT: Approval of a Completion Agreement with Normandy SD, LLC for SP05-003, the Normandy Hills Estates Condominium located north of Eight Mile Road and west of Meadowbrook Road, in accordance with the requirements of Chapter 26.5.

SUBMITTING DEPARTMENT: Community Development Department *UMS*

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

City Council is being asked to consider a request from Normandy SD, LLC to approve a Completion Agreement for the Normandy Hills Estates Condominium, SP05-003.

Chapter 26.5 of the Novi City Code specifies procedures and required financial guarantees that must be in place if development of a project extends beyond a period of 2 years. A formal Completion Agreement document outlining the remaining work and timeline for completion is required to be submitted for approval by the City Council. Posting of financial guarantees typically equal to 200% of the value of the outstanding work is also required. The Completion Agreement and financial guarantees protect the residents of Novi from the possible expense were the City have to complete an unfinished project due to developer default or nonperformance.

The Normandy Hills Estates Condominium development is comprised of 13 single family home sites established as part of a site condominium. The project is located north of Eight Mile Road and west of Meadowbrook Road.

This project is subject to the provisions of Chapter 26.5 of the Novi City Code, and requires a Completion Agreement because the original developer had not completed the site improvements shown on the approved site plan within (2) years of issuance of the initial permit for any improvements (October 18, 2006). Normanate Land, LLC and Pinnacle Normandy, LLC purchased the unsold units of the condominium from a receiver appointed through a Court Order obtained by Comerica Bank. Normanate Land, LCC and Pinnacle Normandy, LLC formed Normandy SD, LLC for the purpose of completing development of the project. Normandy SD, LLC is the successor developer of the project.

As a condition of the Completion Agreement, Normandy SD, LLC, the successor developer, has agreed to provide assurances including provision of a performance guarantee in the amount of no less than 200% of the cost of the work to be completed. The City currently holds financial guarantees of \$133,772.00 in the form of a cash bond.

The Completion Agreement requires a minimum Performance Guarantee of \$176,125.00 (requiring the developer to post an additional \$42,353.00) and contemplates completion of:

- Installation of 22 remaining street trees prior to issuance of the final Certificate of Occupancy, and in all events by October 1, 2014.
- Maintenance and supplementary installation of Tree Protection fencing and Soil Erosion Control measures throughout the duration of the development project.
- Repairs and completion of all outstanding utility, pavement, curb and other incomplete site work prior to issuance of the final (5) Certificates of Occupancy within the development, and in all events before October 1, 2014
- Installation of the emergency access drive and breakaway gate across units 10 and 11 on or before June 1, 2013.

Staff supports the approval of the request.

RECOMMENDED ACTION: Approval of a Completion Agreement with Normandy SD, LLC for SP05-003, the Normandy Hills Estates Condominium located north of Eight Mile Road and west of Meadowbrook Road, in accordance with the requirements of Chapter 26.5.

	1	2	Y	N
Mayor Gatt				
Council Member Casey				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				



JOHNSON ROSATI SCHULTZ JOPPICH PC

34405 W. Twelve Mile Road, Suite 200 ~ Farmington Hills, Michigan 48331-5627
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
csaarela@jrsjlaw.com

www.johnsonrosati.com

January 16, 2013

Charles Boulard, Director
CITY OF NOVI
Community Development
45175 W. Ten Mile Road
Novi, MI 48375

**RE: Normandy Hills Estates Condominium
*Agreement for Completion and Maintenance of Improvements***

Dear Mr. Boulard:

Enclosed please find the proposed Completion Agreement for the Normandy Hills Estates Condominium that is required by Chapter 26.5 of the City of Novi Code because site improvements for the development have not been completed within 2 years from the issuance of the initial permit. Normandy Hills is being completed by the Successor Developer, Normandy SD LLC. The members of Normandy SD LLC purchased the remaining 12 units in the 13 unit development from the Receiver appointed on behalf of Chase Bank. The terms of the Agreement are similar to previous completion agreements that have been approved by City Council pursuant to Chapter 26.5.

The incomplete improvements include the completion of site work, including road maintenance and paving repairs, and the installation of the final wearing course, the installation and maintenance of street trees, the maintenance and removal of woodland protection fencing, the completion of an emergency access drive, and the installation and maintenance of soil erosion control measures throughout construction. City Staff has proposed that the improvements, including site work and installation of street trees be completed no later than October 1, 2014. The Emergency Access Drive, however, must be completed by June 1, 2013 as it provides a connection to the Emergency Access Drive in the adjacent Mirabella Estates Subdivision.

The City is currently holding \$133,772 in cash that has been assigned to the members of Normandy SD LLC by the Receiver for Chase Bank. An additional \$42,353 will be posted by Normandy SD LLC in cash for a total performance guarantee of \$176,125.

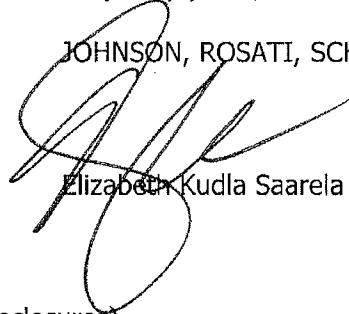
Based on all of the above, the proposed Completion Agreement is acceptable in the format proposed and meets with the requirements of Chapter 26.5.

If you have any questions, please do not hesitate to call.

Charles Boulard, Community Development Director
January 11, 2013
Page 2

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.



Elizabeth Kudla Saarela

EKS
Enclosures

C: Maryanne Cornelius, Clerk (w/Enclosures)
Barb McBeth, Deputy Community Development Director (w/Enclosures)
Sheila Weber, Treasurer's Office (w/Enclosures)
Kristin Pace, Treasurer's Office (w/Enclosures)
Sarah Marchioni, Building Permit Coordinator (w/Enclosures)
Aaron Staup, Construction Engineering Coordinator (w/Enclosures)
Dave Beschke, Landscape Architect (w/Enclosures)
Sue Troutman, City Clerk's Office (w/Enclosures)
Bradley F. Scobel, Esquire (w/Enclosures)
Troy Taylor, Esquire (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

NORMANDY HILLS

**AGREEMENT FOR COMPLETION
AND MAINTENANCE OF IMPROVEMENTS**

AGREEMENT, dated _____, 2013, by and between the City of Novi, a Michigan municipal corporation, whose address is 45175 Ten Mile Road, Novi, Michigan 48375 ("City"), and Normandy SD LLC a Michigan limited liability company ("Normandy SD"), whose address is 107 E Main St., Ste 204, Northville, MI 48167 known as "Successor Developer," who represent itself hereby as the Successor Developer of the Property.

RECITATIONS:

The Normandy Hills Estates Condominium (the "Condominium") in the City of Novi, Oakland County, Michigan, described on the attached Exhibit A (the "Property") has been approved for a 13-Unit single-family residential site condominium development pursuant to the provisions of the City of Novi Zoning Ordinance. Normanate Land, LLC and Pinnacle Normandy, LLC purchased 12 of the 13 Units of the Condominium from a receiver appointed pursuant to Court Order obtained by Comerica Bank with respect to the Condominium to jointly complete construction of the Condominium as Successor Developer. Pinnacle Normandy purchased Units 2, 5, 6, 7, 11 and 12, and Normanate Land purchased Units 1, 3, 4, 8, 9 and 10. Pinnacle Normandy and Normanate Land have conveyed 4 units (Units 3, 4, 6, 9 and 10) to purchasers for the construction of homes on the units. Normanate Land, LLC and Pinnacle Normandy LLC formed Normandy SD LLC for the purpose of completing development of the Condominium.

As part of the approval process, the City granted site plan approval and by purchasing the units, Successor Developer agrees to develop the Property in accordance with site plan approval, and accordingly, to complete certain improvements, and to proceed with certain undertakings in compliance with applicable City Ordinances. Chapter 26.5 of the City of Novi Code of Ordinances, Section 26.5-5 (b) requires completion of actual construction and installation of all required improvements within two (2) years after the issuance of the initial permit for any improvements, or within six (6) months after a temporary occupancy permit has been issued for any structure on the property, whichever is shorter or occurs first. The initial permit for the Development was issued on October 18, 2006.

Because more than two (2) years have elapsed since the initial permit, and Successor Developer is unable to complete the entire development on an immediate basis, Successor Developer has requested an extension of time. Section 26.5-5 (b) requires that extension of such time periods may only be granted by City Council when such extensions are requested for

reasons other than delay resulting from weather conditions and/or delay in securing required approvals/permits from outside regulatory agencies.

Because Successor Developer is requesting an extension with respect to the completion of improvements for reasons other than delay resulting from weather conditions and/or approvals/permits from outside regulatory agencies, Successor Developer must request an extension from City Council and must provide a written completion agreement, together with a revised performance guarantee, pursuant to Section 26.5-12 of the City of Novi Code of Ordinances.

Consistent with all applicable laws and ordinances, more particularly Chapter 26.5 of the City of Novi Code of Ordinances, to obtain an extension with respect to completion of improvements, the Successor Developer has offered to provide, and the City is willing to accept, certain assurances to the City that such improvements relating to the Development will be properly completed and maintained pursuant to a schedule. Such assurances include providing a performance guarantee in an amount no less than two hundred (200) percent of the cost of the work to be completed, and a schedule, for completion and maintenance of the improvements for the Development.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Purpose of Agreement

The City and the Successor Developer enter into this Agreement for the purpose of extending the completion time for certain required improvements, ensuring that certain improvements for the Development will be completed and maintained pursuant to all approvals granted by the City and all applicable laws and ordinances, and that such completion and maintenance occur on a timely basis, in accordance with a schedule approved by City Council.

2. Performance Guarantee Posted

Prior to or with the execution of this Agreement, the Developer has provided, or does provide, to the City, a performance guarantee in the total amount of **\$176,125.00** to guarantee completion and maintenance of improvements for the Development, as estimated and itemized in Paragraph 3, below. Such performance guarantee funds have been posted in the form of a cash bond assigned to Successor Developer by the Receiver, pursuant to Exhibit B attached and additional amounts posted in cash by Successor Developer.

3. Items of Improvement and Maintenance

The items of improvements and maintenance included within this Agreement, and the estimated cost of completion and ongoing maintenance, are set forth below:

a. Street Trees:	\$ 8,800.00
b. Soil Erosion:	\$ 19,330.00 ¹

¹ Not doubled per ordinance.

- d) Improvement Item 3d contemplates and includes, without limitation milling/removal of existing base course per inspection, projected base pavement repairs for undercuts, installation of asphalt base and wearing course of paving along interior roads within the Development, curb repairs, routing of edge of metal, cleaning and repair of all catch basins, and the installation of the required emergency access drive and gate across units 10 and 11 of the Condominium. Improvement Item 3d, above, shall be completed prior to the issuance of the final (5) certificates of occupancy within the Development, and in all events, before October 1, 2014. Until such time as the asphalt wearing course is installed, Successor Developer shall be responsible under this Agreement for maintenance and repairs of all internal paved areas. For purposes of this Agreement "maintenance and repairs" of such areas shall mean and include, without limitation, removing of debris and obstacles, repairing pot holes and cracks, adding new materials, providing for proper drainage, constructing all needed structures (e.g., without limitation, lateral support, drainage, etc.), resurfacing and such other action as shall be necessary or expedient to provide structural integrity and substantially continuous, unobstructed and safe vehicular passage to and through the Development, and providing unobstructed drainage as necessary or required. Installation of the emergency access drive across units 10 and 11 of the Condominium shall be completed in accordance with the approved plan and all applicable City of Novi standards, on or before June 1, 2013.

5. City Authority to Complete and/or Maintain.

In the event Developer has failed to complete and/or maintain the improvements itemized in Paragraph 3, above, within the time periods and in the manner specified in this Agreement, and, provided the City has given the Developer 30 days notice of the failure to timely complete and/or maintain and Developer has not completed and/or maintained all of such improvements within said 30 days after such notice and provided that the City is not in default of any material obligations in this Agreement and as required by applicable law the City shall have the authority, but shall not have the legal obligation, to take one or more of the following actions:

- (a) The City may draw the funds from the letter of credit or other securities posted and enter upon the Development through its officials, employees, agents, and/or contractors and complete and/or maintain the improvements, or restore the Property or areas disturbed by the Development. In such event, all costs and expenses incurred shall be paid from the proceeds of the funds drawn on the letter of credit or otherwise obtained from the performance guarantee posted. Any amounts of unused proceeds of the performance guarantee shall be returned to Successor Developer, or otherwise be credited, as the case may be. Successor Developer, and all of Successor Developer's officers, employees, consultants and agents, shall be obligated to act and work in cooperation with the City to bring about completion and/or maintenance of the improvements as contemplated in this Agreement, or restoration, and shall provide the City with all drawings, contracts, documentation, public and private correspondence, agreements and other materials relating to any such improvements, restoration and/or

maintenance. Notwithstanding other provisions to the contrary, in the event the City receives a notice of termination from Bank with regard to the letter of credit, or from any other securing party as to the performance guarantee posted pursuant to this Agreement, and the improvements and/or maintenance itemized in Paragraph 3, above, have not been completed or fulfilled as required by this Agreement, the City shall be entitled to immediately draw the funds from the letter of credit or other performance guarantee posted, without notice to Successor Developer, and proceed as specified in this paragraph.

(b) The City may, but is not required to, initiate a lawsuit for purposes of enforcing and achieving full compliance with the terms and provisions of this Agreement. In the event that the City is awarded relief in such suit, the Successor Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

(c) City Council may, in its discretion, grant Successor Developer additional time beyond the time periods reference in Paragraph 4.

6. Additional Liability

Successor Developer shall also be liable for any costs and expenses incurred by the City in excess of the amounts posted by the Successor Developer under this Agreement as well as any costs and expenses, including reasonable attorney fees, incurred by the City in any action and/or litigation to enforce or collect such funds and/or to otherwise restore the property and/or secure completion and/or maintenance of the improvements itemized in Paragraph 3, above, pursuant to the terms of this Agreement, in the event the City obtains any relief as a result of such lawsuit. The liability of Successor Developer in such regard, if unpaid after 30 days of a billing sent to Successor Developer at its last known address, may be secured by the City recording a lien on the Property, effective as of the date the City is authorized to proceed with the completion and/or maintenance of improvements, or restoration, as provided in this Agreement, and all such unpaid amounts may be placed on the delinquent tax roll of the City as to Units 1, 2, 5, 7, 8, 11, and 12 of the Development, and shall accrue interest and penalties, and shall be collected as, and shall be deemed delinquent real property taxes according to the laws made and provided for the collection of delinquent real property taxes. In the discretion of the City, such costs and expenses may also be collected by suit initiated against the Successor Developer, and in the event the City is awarded relief in such suit, the Successor Developer shall pay all court costs, expenses and reasonable actual attorney fees incurred by the City in connection with such suit.

7. Rebate or Reduction of Performance Guarantee

The City shall not release a performance guarantee until (1) all fees that are due to the City have been paid; (2) a maintenance guarantee has been posted, if applicable; (3) inspection of the development site has been performed when required; (4) expired permits have been renewed; (5) the City has determined that the conditions and requirements of the permit/approval otherwise specified in the performance guarantee have been met and final approval of same has been granted; and, (6) Development has received approval for revised stamping sets and acceptance of documents for private roads.

The City may, after performing a site inspection at the written request of an applicant, rebate or reduce portions of a performance guarantee upon determination by the City, in its sole discretion, that the improvements and/or actions for which that performance guarantee was posted have been satisfactorily completed in accordance with the approved plans, any temporary certificate of occupancy, and all other applicable laws, regulations, and ordinances. At no point shall the amount of the performance guarantees held by the city be less than two hundred (200) percent of the cost to complete the remaining required improvements on the property. The applicant is responsible for the actual cost of inspections requested pursuant to this section.

8. Binding Effect

This Agreement shall run with the land constituting the property described on Exhibit A and shall be binding upon and inure to the benefit of the City and Successor Developer and to their respective heirs, successors, assigns and transferees.

9. Successor Developer's Warranty on Ownership

Successor Developer hereby warrants that it is the owner and developer of the Property described on attached Exhibit A has the full authority to execute this Agreement.

10. Delay in Enforcement

A delay in enforcement of any provision of this Agreement shall not be construed as a waiver or estoppel of the City's right to eventually enforce, or take action to enforce, the terms of this Agreement.

11. Severability

Each covenant, requirement, obligation and provision contained herein shall be considered to be an independent and separate covenant and agreement, and, in the event one or more of the covenants, requirements, obligations or provisions shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, all remaining covenants, requirements, obligations and provisions shall nevertheless remain in full force and effect.

12. Lawful Document

Successor Developer and City agree that this Agreement and its terms, conditions, and requirements are lawful and consistent with the intent and provisions of local ordinances, state and federal law, and the Constitutions of Michigan and the United States of America. Successor Developer has offered and agreed to complete the on-site and off-site improvements, at its cost and expense, as specified in this Agreement. Successor Developer has offered and agreed to complete such improvements, and to proceed with other undertakings and obligations as set forth in this Agreement in order to protect the public health, safety and welfare and provide material advantages and development options for the Successor Developer, all of which improvements and obligations Successor Developer and the City agreed were roughly proportional to the burden imposed and necessary in order to ensure that public services and facilities necessary for

or affected by the Development will be capable of accommodating the development on the Property and the increased service and facility loads caused by the Development, to protect the natural environment and conserve natural resources, to ensure compatibility with adjacent uses of land, to promote use of the Property in a socially, environmentally and economically desirable manner, and to achieve other reasonable and legitimate objectives of the City and Successor Developer, as authorized under applicable City ordinances and the Home Rule City Act, MCL 117.1, et seq. Furthermore, Successor Developer fully accepts and agrees to the final terms, conditions, requirements, and obligations of this Agreement, and Successor Developer shall not be permitted in the future to claim that the effect of this Agreement results in an unreasonable limitation upon use of all or any portion of the Property, or claim that enforcement of this Agreement causes an inverse condemnation or taking of all or any portion of such property. It is further agreed and acknowledged that the terms, condition, obligations, and requirements of this Agreement are clearly and substantially related to the burdens to be created by the development of the Property, and are, without exception, clearly and substantially related to the City's legitimate interests in protecting the public health, safety, and general welfare.

13. Applicable Law

This Agreement shall be interpreted and construed in accordance with Michigan law, and shall be subject to enforcement only in Michigan courts.

14. Current and Future Successor Developers and Developers.

As used in this Agreement, the term "Successor Developer" shall mean and include the undersigned party designated herein as Successor Developer of the Property, as well as all future and successor persons and entities that become Successor Developers and developers of all or any portion of the Development property in the future until such time as all phases of the Development have been completed and approved, excluding residential home builders.

15. Headings.

The headings contained herein are for the convenience of the parties and are not to be used in construing or interpreting this Agreement.

16. Effective Date.

This Agreement is deemed effective as of the date first written above.

"SUCCESSOR DEVELOPER"


NORMANDY SD LLC, a Michigan limited liability company

By:
PINNACLE-NORMANDY, LLC, a Michigan limited liability company, Its Member

 member
By: _____ Its: _____

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

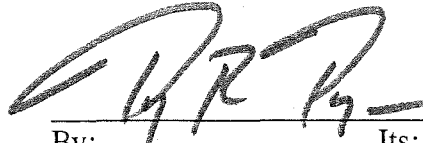
The foregoing instrument was acknowledged before me this 22 day of January, 2013 by Howard Fensholt, as the Member of Pinnacle Normandy.


Notary Public
Oakland County, Michigan
My Commission Expires: May 27, 2018

CATHY KATZ
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES May 27 2018
ACTING IN COUNTY OF Oakland

By:


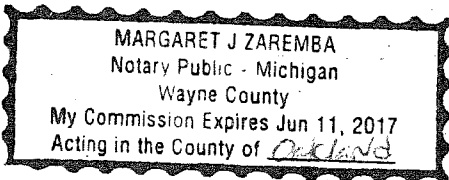
NORMANATE LAND, LLC, a Michigan limited liability company, Its Member



By: TROY R TAYLOR Its: MANAGER

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledges before me this 18th day of January,
2013, by Troy R Taylor, as the Manager of
Normanate Land LLC.


Notary Public MARGARET J. ZAREMBA
Oakland County, Michigan
My Commission Expires: 6-11-17

RECEIVED

JAN 18 2013

CITY OF NOVI
COMMUNITY DEVELOPMENT

“CITY”:

CITY OF NOVI

a Michigan municipal corporation

BY: _____

BY: _____

STATE OF MICHIGAN)
) SS
COUNTY OF OAKLAND)

The foregoing Agreement was acknowledged, signed and sworn to before me on this _____ day
_____, 201_, by _____, Mayor and _____, Clerk of the City of
Novi.

Notary Public

_____ County, Michigan
My Commission Expires: _____

EXHIBIT A
NORMANDY HILLS ESTATES CONDOMINIUM

Land in the City of Novi, County of Oakland, State of Michigan, described as:

Units 1 through 13, Normandy Hills Estates Condominium, according to the Master Deed recorded in Liber 39526, Pages 661 through 712, inclusive, Oakland County Records, and designated as Oakland County Condominium Subdivision Plan No. 1950, and any amendments thereto, together with an undivided interest in the common elements of said condominium as set forth in said Master Deed and any amendments thereto, and as described in Act 59 of the Public Acts of Michigan of 1978, as amended.

Exhibit A

The Normandy Hills Estates Condominium, including Units 1 , 2, 5, 7, 8, 11, and 12 , and general and limited common elements thereto, Oakland County Condominium Subdivision Plan No. 1950, according to the Master Deed thereof, recorded at Liber 39526, Page 661, and all amendments thereto, Oakland County Records.

EXHIBIT B
ASSIGNMENT OF CASH BOND

ASSIGNMENT OF RIGHTS UNDER COMPLETION AGREEMENT

This Assignment of Rights Under Completion Agreement (this "Assignment") is made as of the 25th day of February, 2011, by **Michael J. Sloan & Associates**, in its capacity as court-appointed receiver over the assets of SMJ Marketing, Inc., whose address is 24001 Southfield Road, Suite 211, Southfield, Michigan 48075 ("Assignor"), in favor of **PINNACLE-NORMANDY, LLC**, a Michigan limited liability company, whose address is 28800 Orchard Lake Road, Suite 200, Farmington Hills, Michigan 48334 ("Pinnacle") and **NORMANATE LAND LLC**, a Michigan limited liability company, whose address is 107 E. Main Street, Suite 204, Northville, Michigan 48167 ("Thurber"; Thurber and Pinnacle, collectively, shall be referred to as "Assignee").

RECITALS

A. SMJ Marketing, Inc. ("SMJ") entered into a Completion Agreement ("Completion Agreement") with the City of Novi with respect to the development of Normandy Hills Condominium (the "Project").

B. Assignor, as the court-appointed receiver over the assets of SMJ Marketing, Inc., has sold the Project to Assignee.

C. Assignor desires to assign to Assignee all of its rights in and to the Completion Agreement, including, but not limited to the right to any performance guaranties, including letters of credit and/or funds payable to or being held by the City of Novi in connection with the Completion Agreement and/or the Project and Assignee desires to accept same.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor and Assignee agree as follows:

1. Assignor irrevocably assigns, transfers, sets over and delivers to Assignee, and grants to Assignee all of Assignor's rights and powers under the Completion Agreement, including but not limited to the right to any performance guaranties, including letters of credit and/or funds payable to or being held by the City of Novi (including, without limitation, funds drawn by the City of Novi on any letters of credit delivered by SMJ to the City of Novi) in connection with the Completion Agreement and/or the Project. Any refund payments from the City of Novi to the Assignor and/or Comerica Bank in connection with the Completion Agreement or the Project will be remitted to Assignee.

2. This Assignment shall be binding upon the successors and assigns of Assignor and Assignee, and will inure to the benefit of Assignor and Assignee and their respective successors and assigns.

3. No modification or waiver of the provisions of this Assignment shall be effective unless such waiver or modification is specifically agreed to in writing by the party against whom enforcement of the modification or waiver is sought.

4. The provisions of this Assignment shall be governed by and construed in accordance with the laws of the State of Michigan.

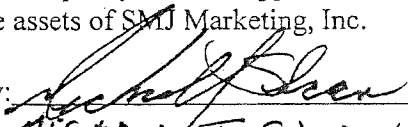
5. The unenforceability, illegality or invalidity of any term or provision of this Assignment will not affect the enforceability, legality or validity of any other term or provision, all of which will remain in full force and effect and are intended to be fully enforceable as if the unenforceable, illegal or invalid term or provision was never included in this Assignment.

6. This instrument may be executed in counterpart, each of which constitutes an original, and all of which, taken together, constitute one and the same original, and facsimile signatures on this instrument shall be deemed to constitute original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed and delivered as of the date first above written.

“ASSIGNOR”

Michael J. Sloan & Associates,
in its capacity as court-appointed receiver over
the assets of SMJ Marketing, Inc.

By: 
MICHAEL J. SLOAN

Its: *President*

“ASSIGNEE”

PINNACLE-NORMANDY LLC,
a Michigan limited liability company

By: _____

Its:

NORMANATE LAND LLC,
a Michigan limited liability company

By: _____

Its:

AGREED AND ACCEPTED:

COMERICA BANK N.A.

By: Fisher G. Keach

Its: VICE PRESIDENT

[Space Above This Line is for Recording Information]

DISCHARGE OF MORTGAGE

The instruments identified below made by SMJ Marketing, Inc. of 26150 Pleasant Valley, Farmington Hills, Michigan 48331, as mortgagor, to Comerica Bank of 500 Woodward Avenue, Detroit, Michigan 48226, as mortgagee:

Continuing Collateral Mortgage dated September 14, 2004 and recorded on November 4, 2004, in Liber 34370, Page 24, of Oakland County Records, as amended by Amended and Restated Continuing Collateral Mortgage dated February 27, 2006 and recorded on March 2, 2006, in Liber 37192, Page 880, of Oakland County Records;

are discharged.

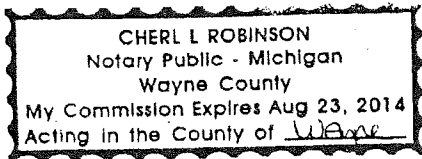
Dated February 25, 2011

Comerica Bank

By: Leslie A. Roach
Name: Leslie A. Roach
Its: Vice President

State of Michigan
County of ~~Oakland~~ Wayne

The foregoing instrument was acknowledged before me on February 25, 2011, by Leslie A. Roach, Vice President of Comerica Bank, a Michigan banking corporation, for the banking corporation.



Cheri L. Robinson
Name: Cheri L. Robinson
Notary Public, State of Michigan, County of Wayne
My Commission expires: August 23, 2014
Acting in the County of Wayne

Drafted by:
Douglas W. Eyre
Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson Avenue, Suite 2500
Detroit, Michigan 48226-4415

When recorded return to:
Douglas W. Eyre
Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson Avenue, Suite 2500
Detroit, Michigan 48226-4415

DISCHARGE OF FINANCING STATEMENT

Comerica Bank, a Texas banking association, successor in interest by merger to Comerica Bank, a Michigan banking corporation, whose address is One Detroit Center, 500 Woodward Ave., Detroit, MI 48226, hereby discharges the financing statement recorded against SMJ Marketing, Inc., whose address is 26150 Pleasant Valley, Farmington Hills, MI 48331, recorded in Liber 37220, Page 846, Oakland County Records, as amended by amendment statement recorded in Liber 42510, Page 003, Oakland County Records. The termination of this financing statement is not meant to discharge the security interest granted from SMJ Marketing, Inc. to Comerica Bank as perfected by certain filings with the Secretary of State. Rather, it only discharges the security interest in the fixtures located at the real property located in the City of Novi, Oakland County, Michigan, more particularly described in Exhibit A hereto.

COMERICA BANK

By Debra A. Koach

Its VICE PRESIDENT

NOTARIZATION ON FOLLOWING PAGE

STATE OF MICHIGAN)

SS:

COUNTY OF WAYNE)

On February 25, 2011, Leslie A. Roach appeared before me, known to me to be the Vice President of Comerica Bank, and confirmed that Leslie A. Roach executed this discharge as the free act and deed of Comerica Bank.

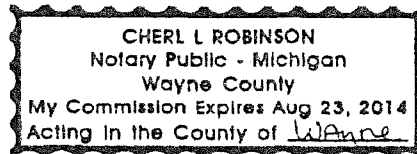
Cheryl L. Robinson

Notary Public

Wayne County, Michigan

My Commission Expires: AUGUST 23, 2014

8.846.364 1022754-01906



MICHAEL J. SLOAN & ASSOCIATES

24001 Southfield Road, Suite 211

Southfield, Michigan 48075

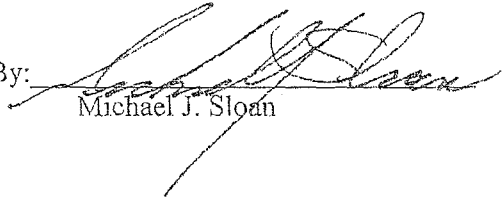
December 20, 2012

To whom it may concern:

Please be advised that despite the absence of an executed completion agreement, the assignments contained in the Assignment of Rights Under Completion Agreement, dated February 25, 2012 by and between myself as court-appointed receiver and Pinnacle-Normandy, LLC, and Normanate Land LLC, are still effective".

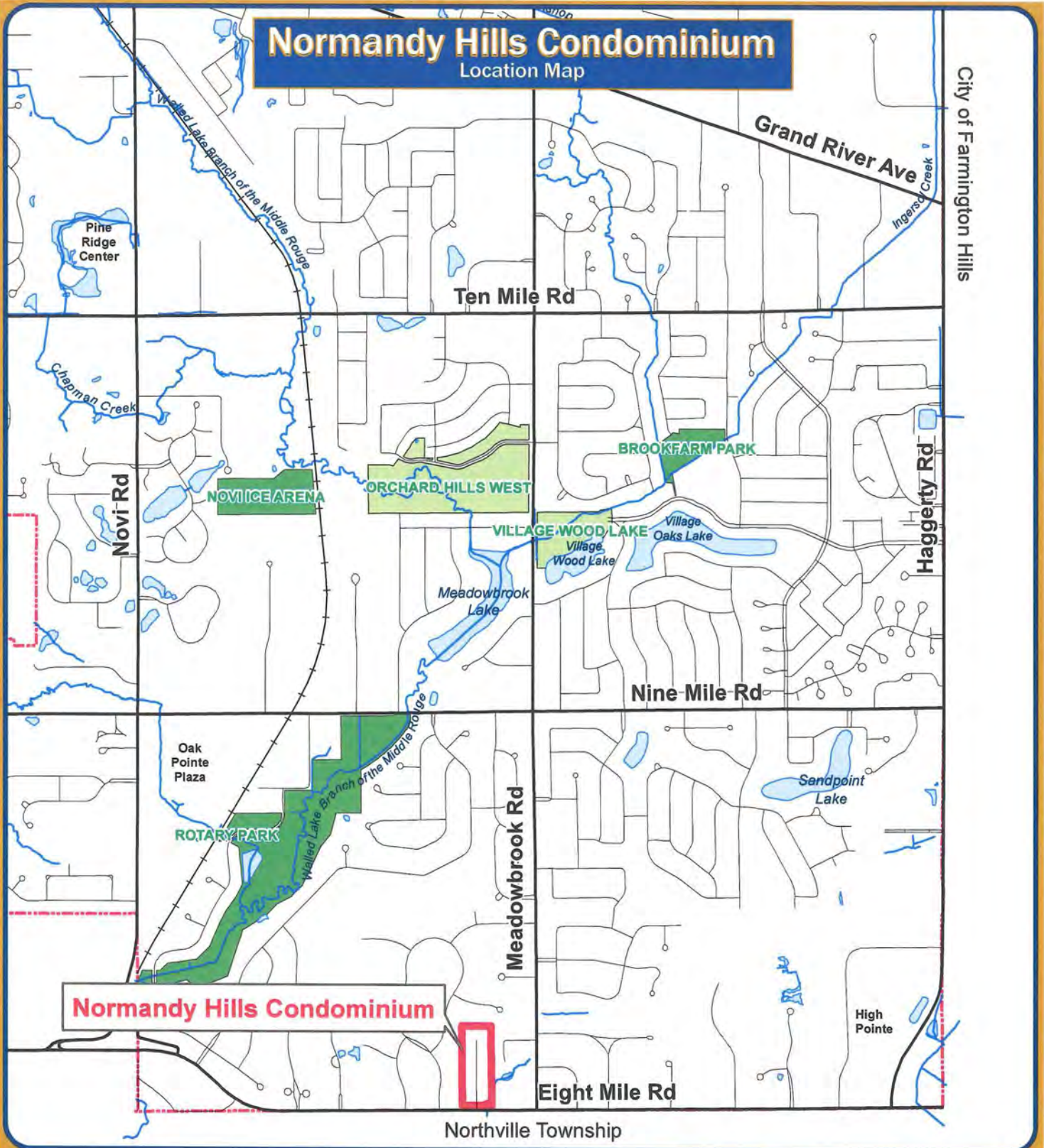
Michael J. Sloan & Associates,
In its capacity as court-appointed receiver
over the assets of SMJ Marketing, Inc.

By:


Michael J. Sloan

Normandy Hills Condominium

Location Map



City of Farmington Hills

Normandy Hills Condominium

Map Author: Mark Spencer
 Date: 1/24/13
 Project: Normandy Hills Location
 Version #: 1.0

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent available sources available to the people of the City of Novi. Boundary inaccuracies and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 152 of 1970, as amended. Please contact the City GIS Manager for further source and accuracy information related to this map.



City of Novi

Planning Division
 Community Development
 45175 W Ten Mile Rd
 Novi, MI 48375
 cityofnovi.org



1 inch = 1,737 feet



February 10, 2012

Mr. Aaron Staup
Construction Engineering Coordinator
Department of Public Services
Field Services Complex
26300 Delwal Drive
Novi, MI 48375

**Re: Normandy Hills Estates
Pavement Punch List, Cost Estimate and Inspection Fee**
Novi SP No.: 05-0003
SDA Job No.: NV012-202

Dear Mr. Staup:

Please be advised that our field personnel visited the above referenced site on February 9, 2012 to verify the status of the above mentioned site's pavement and storm structures in the right-of-way. As a result of the walkthrough, we recommend that the **Incomplete Site Work** Financial Guarantee be increased from \$43,500 to **\$120,400**. This increase is based on the summary of remaining civil site improvement items, listed below, to be completed prior to substantial completion of the project and includes the **City of Novi 2.0 multiplier**.

Incomplete Site Utility and Pavement Items

As a response to the aforementioned walk-through, there are some items that have yet to be addressed and are delineated below with corresponding dollar amounts:

- | | |
|---|----------|
| 1. Milling/Removal of Existing Base Course (210 SYD) | \$1,000 |
| 2. Projected Base Pavement Repairs for Undercuts (32 SYD) | \$1,000 |
| 3. Place Asphalt Base Course at 2.5" of 1100L (1,900 SFT) | \$3,000 |
| 4. Place Asphalt Top Course at 1.5" of 1100T (24,700 SFT) | \$28,000 |
| 5. Curb Repairs (90 LFT) | \$4,500 |
| 6. Routing of Edge of Metal (2,150 LFT) | \$4,300 |
| 7. Catch Basin Repairs (4 EACH) | \$4,000 |
| 8. Emergency Access Drive and Gate | \$13,400 |
| 9. Clean bottom of all catch basins. | \$1,000 |

Engineering Consultants

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Mr. Aaron Staup
City of Novi Engineering Division
Page 2

Total (Subtotal*2.0) \$120,400

As a consequence, SDA recommends the City withhold a minimum amount of **\$120,400** for the incomplete pavement and site utility punch list.

In addition, SDA has been requested by the City to perform full time observation and construction administration for completion of the above list of incomplete items. Material Testing must be provided by the development or, if requested, can be subcontracted by SDA at an associated cost to the project. In order for SDA to perform the requested full time observation and construction administration a purchase order will need to be established in the amount of \$6,400. As a result of the defined scope, please note the estimated cost breakdown for observation and construction administration:

Item Description	Unit	Total Quantity	Unit Price	Item Subtotal
SDA Costs				
Inspection Time	hr	60	\$75.00	\$4,500.00
CCA	hr	20	\$95.00	\$1,900.00
total				\$6,400.00

This letter serves only as a cost estimate for the pavement and storm structure repairs in the right-of-way and the associated observation fees necessary to complete the pavement and storm structure repairs. Upon further investigation the fees may increase or decrease depending on the work necessary to complete the project.

If you have any questions, please do not hesitate to contact us at our office.

Sincerely,

SPALDING DeDECKER ASSOCIATES, INC.



Ted Meadows
Contract Administrator

cc: Sarah Marchioni, City of Novi – Building Department Clerk (e-mail)
Christopher Robbins, PE, SDA (e-mail)
SDA CE Job File

Engineering Consultants

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cityofnovi.org

Community Development Department

45175 West Ten Mile

Novi, MI 48375

WOODLAND FENCE STATUS INSPECTION

TO: Sarah Marchioni, Building Permit Coordinator
FROM: David R. Beschke, RLA
DATE: January 4, 2013
SUBJECT: Normandy Hills – SP#05-03

A woodland protection fencing status inspection was performed on January 4, 2013. A portion of the protection fencing has been removed at the locations of completed homes. Please retain \$18,795 (cost of materials x 200%) as a Woodland Protection Fence Performance Bond until such time as the remaining fencing may be removed.

Please also note that at this time the majority of the installed fencing is in great disrepair. Most has been removed or has been crushed by trees or ongoing construction activities. This damaged fencing must be corrected at the earliest opportunity.

If there are any further questions, please direct the applicant to contact staff at the address or phone number below.

David R. Beschke, RLA
City of Novi Landscape Architect
45175 W. Ten Mile Road
Novi, Michigan 48375-3024
Phone (248) 735-5621 Fax (248) 735-5600

Cc:/ S. Weber

Building
248.347.0415
248.735.5600 fax

Ordinance Enforcement
248.735.5678
248.735.5682 fax

Planning
248.347.0475
248.735.5633 fax



cityofnovi.org

Community Development Department

45175 West Ten Mile
Novi, MI 48375

STREET TREE STATUS INSPECTION REPORT

TO: Sarah Marchioni, Building Permit Coordinator
FROM: David R. Beschke, RLA
DATE: November 8, 2012
SUBJECT: Normandy Hills - SP05-03

A landscape inspection was performed on November 8, 2012. A total of twenty two (22) street trees remain to be installed. Please retain \$17,600 (plant materials x 200%) as a Street Tree Performance Guarantee until such time as the remaining street trees are installed and accepted.

The following lots still require street trees to be installed:

<u>Lot #</u>	<u>Tree Qty.</u>
2	3
5	3
7	2 (cul-de-sac)
8	2 (cul-de-sac)
9	3
11	3
12	3
13	3

If there are any further questions, please direct the applicant to contact staff at the address or phone number below.

David R. Beschke, RLA
City of Novi Landscape Architect
45175 W. Ten Mile Road
Novi, Michigan 48375-3024
Phone (248) 735-5621 Fax (248) 735-5600

Cc/ S. Weber