City of Hart, Michigan
TIFA Board
September 15, 2026, 1:00 PM
Hart City Hall Community Center, 407 State Street, Hart, Michigan

NOTICE OF PUBLIC MEETING

TIFA Agenda

1. Call to order
2. Roll Call; B. Hegg, Tracey Lipps, Deborah Windell, S Hegg, Caleb Griffis, Maria Rosas, Mayor Klotz, Hannah Juhl, Justin Adams
3. Approval of Agenda
4. Public Comment
5. Approval of August 2026 Minutes
6. Approval of August Financials
7. Discussion Items
    a. Review Sale of Monarch Development Agreement
    b. Informational Public Hearings & Year-end compliance reporting
8. Public Comment
9. Member Comment
10. Adjournment - *next regular meeting September 15, 2026*

CITY OF HART
407 S. STATE ST
HART, MI 49420
TAX INCREMENT FINANCE AUTHORITY (TIFA)
August 18, 2026 at 1:00 pm

MEETING MINUTES

Call to Order: Windell called the meeting to order at 1:00 pm. Voice rollcall was taken.

Members Present: Hannah Juhl, Caleb Griffis, Scott Hegg, Justin Adams, Tracey Lipps, Deborah Windell, Bill Hegg, Justin Adams,

Absent: Mayor Klotz, Maria Rosas

Others Present:

Approval of Agenda: Motion by Juhl, supported by S Hegg to approve the agenda. Motion carried.

Public Comment: none

Approval of July Minutes: Motion by Juhl, supported by Lipps to approve the July minutes. Motion carried.

Approval of May & July 2026 Financial: Motion by Lipps, supported by Adams to accept the May & July financials as presented. Motion carried.

Action items

- **a.** 408 Church St – Authorize City Manager to pay for attorney to review development agreement with Monarch for the church. Reviewed existing lease with option to purchase. Nichole will bring more information to the Sept. meeting.
- **b.** Allocation of admin cost – tabled and to be considered for fiscal year 27-28

Discussion Items

a. Ceres – Nichole updated board the developer received a grant and is working with Fishbeck on environmentals.
b. Consideration of bond financing for downtown streetscape phase 2 – board would like to meet with engineer to be part of design and infrastructure improvements specifically stormwater on west main street.

Public Comments: None

Member Comment:

Adjournment: Meeting adjourned at 1:46 pm.

Respectfully submitted by Nichole Kleiner, City Manager

MEMORANDUM

To: Hart Tax Increment Finance Authority Board
From: Nichole Kleiner, TIFA Administrator
Date: September 15, 2026
Re: 408 & 412 S. State Street – Option to Purchase Timeline

The Lease Agreement with Option to Purchase for 408 & 412 S. State Street provides the Tenant with the option to purchase the property for $1.00. The option must be exercised no later than **5:00 p.m. on January 1, 2027**.

The Tenant has indicated an interest in obtaining ownership of the property in January 2027. To allow sufficient time to complete all contractual requirements and obtain the necessary City approvals, the following timeline is recommended:

- **By November 1, 2026:** Tenant submits written notice exercising the Option to Purchase.
- **By November 11, 2026:** TIFA and Tenant execute the Purchase Agreement. The agreement provides 10 days following exercise of the option to execute the Purchase Agreement.
- **November 11 – December 11, 2026:** Tenant completes the required 30-day due diligence period, including title review, survey, inspections and financing, if applicable.
- **November/December 2026:** Complete title work and prepare the Warranty Deed, Development Agreement and closing documents.
- **December 2026:** TIFA takes any necessary action regarding the conveyance and forwards the proposed property sale to the Hart City Council for required approval.
- **December 2026:** Complete any outstanding title or closing requirements so that the transaction is ready to close.
- **Early January 2027:** Target closing January 2027.

The agreement allows closing to occur within 45 days following expiration of the due diligence period; however, it does not require the parties to wait 45 days. Therefore, completing the option exercise, due diligence, TIFA action, and City Council approval in advance would allow the parties to close promptly after January 1.

At closing, TIFA would convey marketable title by Warranty Deed. The Tenant would pay the $1.00 purchase price and customary buyer closing costs. The property would also be subject to the required Development Agreement, including the provision prohibiting transfer or conveyance of the property for five years following closing without Hart TIFA's prior written consent.

DEVELOPMENT AGREEMENT

The Monarch Project at 408 and 412 South State Street

This Development Agreement (the "Agreement") is entered into as of the date of the last signature below by and among the City of Hart Tax Increment Finance Authority, a Michigan tax increment finance authority ("TIFA"), The Monarch in Hart, LLC, a Michigan limited liability company ("Developer"), and Cindy Beth Davis-Dykema, individually ("Guarantor"). TIFA, Developer, and Guarantor may each be a "Party" and collectively the "Parties."

1. Purpose and Consideration

TIFA has agreed to convey the Property to Developer for nominal consideration as part of a public redevelopment project. The covenants in this Agreement are material consideration for that conveyance and are intended to ensure that the Property is rehabilitated, maintained, and used as a long-term community asset. This Agreement becomes effective only upon delivery of the deed conveying the Property to Developer (the "Closing").

2. Property

"Property" means the land and improvements commonly known as 408 and 412 South State Street, Hart, Michigan, as legally described in Exhibit A. The legal description in Exhibit A must match the legal description in the purchase agreement, deed, title commitment, and all other closing documents. If there is a conflict, the legal description in the recorded deed controls only after TIFA and the Hart City Council approve any necessary correction in writing.

3. Project and Required Use

The "Project" is the rehabilitation and operation of the Property as The Monarch, a community-centered arts, culture, wellness, office, retail, and event destination. Developer shall substantially complete and continuously operate the Project in accordance with this Agreement and the milestones in Exhibit B.

During the Restriction Period, Developer shall use the Property substantially consistently with the Project, subject to reasonable changes in programming, tenants, and business operations that remain consistent with the Project's overall purpose and all applicable laws. A material change in the primary use of the Property requires TIFA's prior written approval. Nothing in this Agreement approves a land use, occupancy, building alteration, liquor activity, or other activity that otherwise requires governmental review or approval.

4. Development Milestones

Developer shall complete each milestone by the applicable deadline in Exhibit B. Before execution, the Parties shall identify work already completed, work remaining, and objective evidence of completion. A milestone is complete only when the applicable space is safe and legally available for its intended use, including receipt of required permits, inspections, and certificates of occupancy.

TIFA may approve a written extension for delays caused by events beyond Developer's reasonable control, provided Developer promptly gives written notice, documents the cause and anticipated duration, and diligently resumes performance. Lack of funds or financing is not, by itself, grounds for an extension.

5. Restriction Period and Transfer Controls

5.1 Restriction Period.

The "Restriction Period" begins at Closing and ends five (5) years after Closing.

5.2 Prohibited Transfers.

During the Restriction Period, Developer shall not sell, transfer, convey, assign, or otherwise dispose of any fee-title interest in all or any portion of the Property without the prior written consent of TIFA and approval of the Hart City Council. Any attempted transfer made without the required approvals is a default and is voidable by TIFA to the fullest extent permitted by law.

5.3 Leases.

Developer may enter into ordinary-course leases or licenses for uses consistent with the Project, provided no lease or license transfers substantially all possession or control of the Property, has a term extending beyond the Restriction Period without TIFA's prior written consent, or relieves Developer of any obligation under this Agreement. Developer remains fully responsible for compliance by every tenant and occupant.

5.4 Liens and Financing.

Developer shall not grant a mortgage, land contract interest, security interest, or other voluntary lien against the Property during the Restriction Period without TIFA's prior written consent. As a condition of consent, TIFA may require the lender to acknowledge this Agreement, subordinate its interest to TIFA's recorded rights, provide notice of default and an opportunity to cure, and agree that foreclosure or other enforcement will not extinguish this Agreement to the extent permitted by law. Developer shall promptly discharge construction liens and other involuntary liens unless contested in good faith with adequate security.

6. Operation Maintenance and Legal Compliance

During the Restriction Period, Developer shall: (a) keep the Property and improvements in good, safe, clean, and sanitary condition; (b) prevent waste, deterioration, nuisance conditions, and avoidable vacancy; (c) maintain utilities and protect the Property from weather and casualty; (d) comply with applicable zoning, building, fire, health, accessibility, environmental, licensing, and other laws; (e) pay when due all taxes, assessments, utilities, and charges attributable to the Property; and (f) obtain and maintain all permits and approvals required for the Project. Developer shall not permit unlawful activity or the storage, release, or disposal of hazardous substances except lawful quantities customarily used in operating and maintaining the Property.

7. Insurance and Casualty

During the Restriction Period, Developer shall maintain property insurance on the improvements at replacement-cost value and commercial general liability insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate, or such commercially reasonable higher limits as TIFA may require in writing. TIFA and the City of Hart shall be named as additional insureds on liability coverage and, while TIFA retains a recorded reversionary or reconveyance right, as loss payees as their interests may appear on property coverage. Developer shall provide certificates of insurance upon request and at least annually. Policies shall require at least thirty (30) days' advance notice of cancellation or material reduction, when commercially available.

After a casualty, Developer shall promptly secure the Property and, subject to available insurance proceeds and governmental approvals, repair and restore it unless TIFA approves a different written plan. Insurance proceeds shall be applied to restoration or as otherwise agreed in writing by TIFA and any approved lender.

8. Existing Leases

At or before Closing, TIFA shall provide Developer with the leases and occupancy agreements listed in Exhibit C. Developer accepts assignment of those agreements at Closing, assumes the landlord obligations arising from and after Closing, and shall honor them for their remaining terms unless lawfully amended or terminated. TIFA remains responsible for obligations arising before Closing. No lease or occupancy agreement is assumed unless identified in Exhibit C or separately disclosed and accepted in writing before Closing.

9. Reporting Inspection and Records

Until the Project milestones are complete, Developer shall provide TIFA written progress reports every six (6) months. Thereafter, during the Restriction Period, Developer shall provide an annual written report describing use of the Property, public programming, occupancy, material improvements, insurance, and compliance with this Agreement. Reports are due within thirty (30) days after each anniversary of Closing.

On at least five (5) business days' notice, TIFA representatives may inspect the Property and reasonably relevant records during normal business hours to verify compliance. In an emergency or where TIFA reasonably believes an unsafe condition or material waste exists, TIFA may request immediate access. Inspections do not make TIFA responsible for the Property or waive any default.

10. Default and Opportunity to Cure

10.1 Events of Default.

Each of the following is an "Event of Default": (a) failure to meet a material Project milestone; (b) abandonment of the Project or cessation of substantially all Project operations for ninety (90) consecutive days, excluding temporary closure for construction, casualty, seasonal scheduling approved in Exhibit B, or an event beyond Developer's reasonable control; (c) an unauthorized transfer, lease, mortgage, or lien; (d) failure to maintain the Property, insurance, or legal compliance; (e) a materially false statement or report; (f) failure to pay taxes or assessments before forfeiture or foreclosure proceedings begin; or (g) any other material breach of this Agreement.

10.2 Notice and Cure.

Except for an emergency or a default that cannot reasonably be cured, TIFA shall give Developer written notice describing the default. Developer shall have thirty (30) days after receipt to cure. If a nonmonetary default cannot reasonably be cured within thirty days, Developer may have up to an additional sixty (60) days if it begins cure within the initial period, diligently continues, and provides written progress updates requested by TIFA. An unauthorized transfer or encumbrance must be rescinded or released within fifteen (15) days. Immediate protective or injunctive relief remains available when delay could materially impair the Property, public safety, or TIFA's rights.

11. Remedies and Reconveyance

After an uncured Event of Default, TIFA may pursue one or more remedies available at law or in equity, including specific performance, injunctive relief, damages, enforcement of recorded covenants, and reconveyance of the Property. Upon written demand following expiration of the applicable cure period, Developer shall convey the Property to TIFA or its designee by recordable warranty deed, free and clear of liens and interests created by or through Developer except those expressly approved by TIFA. Developer shall pay the reasonable costs of reconveyance and curing unauthorized liens.

Developer acknowledges that the nominal purchase price and public purpose of the conveyance make monetary damages alone potentially inadequate. The Parties intend the reconveyance obligation and TIFA's right of re-entry to constitute a covenant running with the land and a condition subsequent to the conveyance, to the fullest extent permitted by Michigan law. TIFA's acceptance of reconveyance does not require TIFA to reimburse Developer for improvements, business value, lost profits, financing, or other expenditures. Fixtures and permanent improvements remaining on the Property become part of the Property without compensation, subject to rights of an approved lender expressly recognized in writing by TIFA.

Remedies are cumulative, and TIFA's delay or failure to enforce does not waive a default. Before recording the deed, the Parties shall have municipal counsel confirm that the deed and this Section use consistent, enforceable language establishing TIFA's intended right of re-entry or reconveyance.

12. Indemnification

To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless TIFA, the City of Hart, and their officers, officials, employees, and agents from claims, damages, losses, liabilities, penalties, liens, and reasonable attorney fees arising from Developer's ownership, redevelopment, use, operation, or maintenance of the Property, or from the acts or omissions of Developer, its contractors, tenants, invitees, or agents, except to the extent caused by the indemnitee's own negligence or willful misconduct. This Section survives expiration or termination of this Agreement and any reconveyance.

13. Personal Guaranty

Guarantor unconditionally guarantees Developer's timely performance of its obligations during the Restriction Period, including the duties to maintain insurance, prevent unauthorized liens or transfers, cure defaults, and execute documents required for reconveyance. TIFA may proceed directly against Guarantor without first

exhausting remedies against Developer or the Property. This guaranty does not require Guarantor to fund Project improvements beyond the commitments expressly stated in Exhibit B unless separately agreed in writing.

14. Recording and Covenants Running With the Land

This Agreement shall be recorded with the Oceana County Register of Deeds at or before Closing. The obligations in Sections 3 through 12 are covenants and restrictions running with the land during the Restriction Period and bind Developer and all successors, transferees, tenants, occupants, and permitted assigns. The indemnity and liabilities arising before expiration survive as stated. Upon written request after the Restriction Period and confirmation that no uncured default exists, TIFA shall execute a recordable release of this Agreement, at Developer's expense.

15. Approvals and Authority

Any consent, amendment, waiver, transfer approval, release, or other discretionary action by TIFA must be in writing and approved by TIFA at a public meeting unless TIFA expressly delegates a ministerial action by resolution. Any sale or conveyance of TIFA-owned Property, including the original conveyance and any later disposition requiring public approval, is subject to approval by the Hart City Council. No officer, employee, or agent may bind TIFA or the City except through authority lawfully granted.

16. Notices

Notices under this Agreement must be in writing and are effective when personally delivered, when delivered by nationally recognized overnight courier, or three (3) business days after deposit by certified U.S. mail, return receipt requested, postage prepaid. Email may be used as a courtesy copy but does not replace formal notice. Notices shall be sent to the addresses below, as updated by written notice:

TIFA	City of Hart Tax Increment Finance Authority Attn: TIFA Administrator 407 State Street Hart, MI 49420
Developer	The Monarch in Hart, LLC Attn: Cindy Beth Davis-Dykema [INSERT NOTICE ADDRESS]
Guarantor	Cindy Beth Davis-Dykema [INSERT NOTICE ADDRESS]

17. General Provisions

17.1 Entire Agreement and Priority.

This Agreement, together with its exhibits and the closing documents, contains the Parties' agreement concerning the development restrictions on the Property. If this Agreement conflicts with the deed regarding the legal description or recorded reversionary rights, the deed controls; otherwise, this Agreement controls as to development obligations. The lease and purchase agreement govern obligations arising before Closing unless expressly stated to survive.

17.2 Amendment Assignment and Waiver.

No amendment, assignment, consent, or waiver is effective unless in a signed writing approved as required by Section 15. A waiver on one occasion is not a continuing waiver.

17.3 Governing Law Venue and Severability.

Michigan law governs. Any action shall be brought in a court of competent jurisdiction serving Oceana County, Michigan. If a provision is held unenforceable, it shall be enforced to the maximum lawful extent, and the remaining provisions remain effective; however, no severance may materially eliminate the public-purpose protections without TIFA and City Council approval.

17.4 No Partnership Third Party Rights or Governmental Waiver.

This Agreement does not create a partnership, joint venture, agency, or employment relationship. No third party is an intended beneficiary except the City of Hart with respect to provisions expressly benefiting it. Nothing waives governmental immunity or limits TIFA's or the City's legislative, police, zoning, permitting, inspection, or enforcement authority.

17.5 Further Assurances Costs and Attorney Fees.

Each Party shall execute documents reasonably necessary to carry out this Agreement. Developer shall pay recording fees for this Agreement and any release. In an action to enforce this Agreement, the prevailing Party may recover reasonable attorney fees and costs to the extent permitted by law.

17.6 Counterparts and Electronic Signatures.

This Agreement may be signed in counterparts and by electronic signature, each of which is treated as an original and together constitute one instrument.

The Parties have executed this Agreement through their duly authorized representatives.

CITY OF HART TAX INCREMENT FINANCE AUTHORITY

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER THE MONARCH IN HART LLC

By: _____
Name: Cindy Beth Davis-Dykema
Title: _____
Date: _____

GUARANTOR INDIVIDUALLY

Signature: _____
Cindy Beth Davis-Dykema
Date: _____

EXHIBIT A

Legal Description of Property

[INSERT TITLE-COMPANY-VERIFIED LEGAL DESCRIPTION FOR ALL PROPERTY TO BE CONVEYED]

Common addresses: 408 and 412 South State Street, Hart, Michigan. Common addresses are included for reference only and do not replace the legal description.

EXHIBIT B

Project Milestones

Complete this exhibit before execution. Replace past dates with verified completion status or realistic, enforceable deadlines. Attach objective supporting documentation when available.

Area and Intended Use	Required Work or Operating Standard	Status at Signing	Completion Deadline
The Sanctuary Church Building	Event and performing arts venue for up to 150 guests, subject to lawful occupancy and required approvals.	[INSERT]	[INSERT]
The Studio Nursery Building	Year-round yoga, wellness, arts, or complementary community programming.	[INSERT]	[INSERT]
The House Parsonage Building	Co-working space, offices, retail, or complementary Project uses.	[INSERT]	[INSERT]
Sitewide Requirements	Exterior, parking, access, utilities, life safety, accessibility, and other work required for lawful Project operations.	[INSERT]	[INSERT]

Approved seasonal closures or special operating conditions: [INSERT OR STATE NONE].

EXHIBIT C

Existing Leases and Occupancy Agreements

List every lease, license, concession, or occupancy arrangement to be assigned at Closing and attach complete copies. If none, write “None.”

Tenant or Occupant	Space	Agreement Date	Term and Options	Deposit or Other Obligation
[INSERT]	[INSERT]	[INSERT]	[INSERT]	[INSERT]
[INSERT]	[INSERT]	[INSERT]	[INSERT]	[INSERT]
[INSERT]	[INSERT]	[INSERT]	[INSERT]	[INSERT]
[INSERT]	[INSERT]	[INSERT]	[INSERT]	[INSERT]