

## AGREEMENT TO REIMBURSE CITY FOR ROAD IMPROVEMENT PROJECT

This Agreement is made this 13 day of NOVEMBER, 2024, by and between the City of Madison Heights, a Michigan municipal corporation (hereinafter referred to as "City"), whose offices are located at 300 West 13 Mile Road, Madison Heights, Michigan 48071, and McNaughton-McKay, a Michigan corporation, whose address is 1357 E. Lincoln Ave, Madison Heights, MI 48701 (hereinafter referred to as "McNaughton-McKay").

This Agreement is based upon the following facts:

- A. McNaughton-McKay has requested road improvements specifically for semi-truck parking on Pinehurst Drive to benefit its property located at 1357 E. Lincoln Ave, Madison Heights, MI 48701, and the flow of vehicular traffic on Pinehurst Drive.
- B. The parties acknowledge that McNaughton-McKay shall reimburse the City for the cost of the project, and that the City shall be responsible for cost of engineering fees.
- C. The City agrees to undertake the road improvements, which include, but are not limited to, grading, paving, and any associated infrastructure enhancements.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Reimbursement Obligation: The estimated cost for the road improvements, including construction and engineering, is \$127,066.38, with the final amount to be established through a formal bidding process. McNaughton-McKay agrees to reimburse the City for the road improvement construction costs upon completion, which are estimated at \$110,975.00. McNaughton-McKay understands that the total project cost, including engineering fees, may vary based on the results of the bidding process. The City will cover engineering fees at a rate of 14.5% of the construction costs, currently estimated to be \$16,091.38. The final reimbursement amount will be based on the actual costs determined through the formal bid process. McNaughton-McKay reserves the right to review final bids and total project price, before making final commitment to proceed. If final bids exceed the budgetary estimate, therefore increasing McNaughton-McKay's financial obligation, McNaughton-McKay may elect to cancel the project. In that event, McNaughton-McKay would be responsible for payment to City of any engineering fees which had already been incurred at that point.
2. Payment Terms: McNaughton-McKay agrees to make payment in full directly to the City within sixty (60) days of receiving written notification from the City that the project has been completed and the actual final cost has been determined.
3. City's Obligation: The City agrees to manage and oversee the Road Improvement Project, including soliciting bids, contracting with vendors, and ensuring the work is completed in accordance with all applicable standards and regulations.
4. Notice: All notices, demands, or requests required or permitted under this Agreement shall be in writing and sent to the respective parties at their addresses provided above.
5. Breach and Remedies: McNaughton-McKay's failure to make payment within the specified time frame shall constitute a breach of this Agreement. The City reserves the right to lien the property located at

1357 E. Lincoln in the event of nonpayment in full as contemplated herein. Said amount shall include interest at the rate of 6% annually for a maximum term of 15 years or until the amount is paid in full, whichever is sooner; at which time the City shall discharge its lien. In the event of such a breach, in addition to filing a lien on McNaughton-McKay property, the City may seek other legal remedies, including, but not limited to, collection of the owed amount, interest, attorney fees, and costs.

7. Entire Agreement: This Agreement constitutes the entire understanding between the parties with respect to the subject matter herein and supersedes all prior negotiations, understandings, and agreements.
8. Authority to Sign: The undersigned parties warrant that they have the authority to enter into this Agreement on behalf of their respective organizations.

Witness:   
Print: Randy Ningsper

Witness: \_\_\_\_\_  
Print: \_\_\_\_\_

Witness: \_\_\_\_\_  
Print: \_\_\_\_\_

**McNaughton-McKay**

By: 

Print: MATTHEW TRIPP

Title: DIRECTOR OF OPERATIONS, MR

Date: 11 / 13 / 2024

**CITY OF MADISON HEIGHTS**

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: City Manager

**CITY OF MADISON HEIGHTS**

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: City Clerk

Date: \_\_\_\_\_