



September 29, 2021

Township of White Lake
ATTN: Mr. Mike Roman, Treasurer
7525 Highland Road
White Lake, Michigan

RE: *Four Corners Square, LLC and Four Corners Square Flats, LLC/Refinancing Requirements/PA210 Property Tax Abatement*

Dear Mr. Roman:

Our client, Shakir Alkhafaji, managing member of Four Corners Square, LLC and Four Corners Square Flats, LLC, the commercial real estate holding companies to whom we provided construction financing for their White Lake Township project located along Union Lake Road, has requested that we express in writing our support of the project of obtaining an additional three years of PA210 abatement on the two parcels subject to the recent request for this extension discussed at the Township Board of Trustees' September 21, 2021 meeting.

As we previously informed Mr. Alkhafaji, the underwriting of the loan for 4 Corners Square Flats incorporated certain assumptions, including assumptions regarding the tax abatement. The loan extends until 2026, three years beyond the current maturity of the tax abatement. The loan requires compliance with measured covenants including a debt service coverage covenant. An increase in property taxes from the expiration of the tax abatement during the term of the loan would negatively impact the debt service coverage ratio of the property. If 4 Corners Square Flats fails to comply with the debt service coverage covenant that would be a default under the loan documents.

There is risk and uncertainty in any new development -leasing risk, rental rate risk, tenant rollover risk, competitive risk, market risk and interest rate risk. These risks have been compounded by the impact of COVID. The experience, prior performance of and relationship with our client, Shakir Alkhafaji, is central to our underwriting; and, our interest in financing the property cannot be separated from our relationship with the sponsor. We have the highest regard for Mr. Alkhafaji and our relationship; nonetheless, low and stable operating expenses and property taxes will be an important element to the success of this property and therefore the performance of the loan over the next five years. It will also be important for the continued acceptable risk profile of this loan at the Bank.



Fifth Third Commercial Bank | One Woodward Avenue, Suite 2600 | MD J0WBT1 | Detroit, MI 48226
| Tel: 313.230.9039 | Fax: 313.230.9100 | Cell: 248.321.5705

If you have any questions regarding this letter, please do not hesitate to contact me at the number below.

Sincerely,

Michael Schick

Michael Schick

FIFTH THIRD BANK

Mike Schick

Vice President/Commercial Real Estate Banking

313.230.9039



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Assessing Department

Memo

To: Township Board
From: Jeanine A Smith, Assessor
Date: September 15, 2021
Re: Extension Request from 4 Corners Square Flats LLC

Comments:

The Township has received a request from 4 Corners Square Flats LLC for an extension of three years on their Commercial Rehabilitation Exemption. The original exemption was approved for seven (7) years. Attached is the letter of explanation from the taxpayer and a resolution to allow the 3 year extension.

**RESOLUTION TO APPROVE AN EXTENSION TO
COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
4 CORNERS SQUARE FLATS LLC
#C2016-015(A)**

Resolution No. 21-034

At a regular meeting of the Township Board of the Charter Township of White Lake, County of Oakland, State of Michigan, held in accordance with the Open Meetings Act, Public 267 of 1976, as amended, on the 19th day October, 2021 at 7:00 p.m. with those present and absent being.

PRESENT:

ABSENT:

The following preamble and resolution were offered by and supported by

WHEREAS, the Commercial Rehabilitation Exemption Certificate for **4 Corners Square Flats LLC** was approved by the State Tax Commission for a period of seven (7) years with an ending date of December 30, 2023 and

WHEREAS, 4 Corners Square Flats LLC would like to extend the term for the certificate (real parcel number 12-36-476-031) for an additional 3 years which will allow this parcel the full 10 years, ending December 30, 2026, and

WHEREAS, it is hereby found and determined by the Charter Township of White Lake that the addition of three years for a total of 10 years on a portion of the Commercial Rehabilitation Exemption Certificate C2016-015(A) is proper under the provisions of Public Act 210 of 2005 as amended, and the granting of the additional three years will not impair the financial soundness of the tax units.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Township Board of the Charter Township of White Lake hereby grants an addition three years of Commercial Rehabilitation Exemption Certificate C2016-015(A) for the real property, excluding land, located in White Lake Four Towns Commercial Rehabilitation District No. 1 at:

Real parcel number 12-36-476-031 (vacant land) with a proportioned frozen taxable value on the certificate of \$216,140 and new real value of \$2,304,340 at this time.

The Township Board of the Charter Township of White Lake finds and determines that the granting of this extension to the Commercial Rehabilitation Exemption Certificate under PA 210 of 2005 shall not have the effect of substantially impeding the operating of the Charter Township of White Lake or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the Charter Township of White Lake.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Township Board of the Charter Township of White Lake, Oakland County, Michigan at a regular meeting held on October 19, 2021.

Anthony L. Noble
October 19, 2021

Assessing Department

Memo

To: Township Board
From: Jeanine A Smith, Assessor
Date: September 15, 2021
Re: Extension Request from 4 Corners Square LLC

Comments:

The Township has received a request from 4 Corners Square LLC for an extension of three years on part of their Commercial Rehabilitation Exemption. The original exemption was approved for seven (7) years. They are requesting an extension on the one parcel still vacant. Attached is the letter of explanation from the taxpayer and a resolution to allow the 3 year extension.

**RESOLUTION TO APPROVE AN EXTENSION TO PART OF A
COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
4 CORNERS SQUARE LLC
#C2016-015**

Resolution No. 21-035

At a regular meeting of the Township Board of the Charter Township of White Lake, County of Oakland, State of Michigan, held in accordance with the Open Meetings Act, Public Act 267 of 1976, as amended, on the 19th day of October 2021 at 7:00 p.m. with those present and absent being.

PRESENT:

ABSENT:

The following preamble and resolution were offered by and supported by

WHEREAS, the Commercial Rehabilitation Exemption Certificate for **4 Corners Square LLC** was approved by the State Tax Commission for a period of seven (7) years with an ending date of December 30, 2023 and

WHEREAS, 4 Corners Square LLC would like to extend the term for part of the certificate (real parcel number 12-36-476-032) for an additional 3 years which will allow this parcel the full 10 years, ending December 30, 2026, and

WHEREAS, it is hereby found and determined by the Charter Township of White Lake that the addition of three years for a total of 10 years on a portion of the Commercial Rehabilitation Exemption Certificate C2016-015 is proper under the provisions of Public Act 210 of 2005 as amended, and the granting of the additional three years will not impair the financial soundness of the tax units.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Township Board of the Charter Township of White Lake hereby grants an addition three years of a portion of Commercial Rehabilitation Exemption Certificate C2016-015 for the real property, excluding land, located in White Lake Four Towns Commercial Rehabilitation District No. 1 at:

Real parcel number 12-36-476-032 (vacant land) with a proportioned frozen taxable value on the certificate of \$44,119 and no new real value at this time.

The remaining parcels, 12-36-476-033 (8152 Cooley Lake Rd) and 12-36-476-034 (8100 Cooley Lake Rd) with a proportioned frozen value on the certificate of \$158,871 and

\$424,910 of real value at this time remain with the current owner, **4 Corners Square LLC**.

The Township Board of the Charter Township of White Lake finds and determines that the granting of this extension to Commercial Rehabilitation Exemption Certificate under PA 210 of 2005 shall not have the effect of substantially impeding the operating of the Charter Township of White Lake or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the Charter Township of White Lake.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Township Board of the Charter Township of White Lake, Oakland County, Michigan at a regular meeting held on October 19, 2021.

Anthony L. Noble
October 19, 2021

FAUSONE BOHN, LLP
ATTORNEYS AT LAW

September 2, 2021

RECEIVED

SEP 07 2021

WHITE LAKE TOWNSHIP
ASSESSING OFFICE

Township of White Lake
ATTN: Jeanine A. Smith, Assessor
7525 Highland Road
White Lake, Michigan

**RE: Commercial Rehabilitation Exemption Certificates (CRECs)
No. C2016-015A and 2016-015/Request for Amendment**

Dear Ms. Smith:

This letter is being sent on behalf of property owners Four Corners Square Flats, LLC and its related entity, Four Corners Square, LLC (collectively herein referred to as the "Developers") regarding the previously issued CRECs for the development located at the northeast corner of Union Lake Road and Cooley Lake Road (the "Development"). The Developers respectfully request that the existing CREC abatement period for two of the four parcels comprising the Development be extended for an additional three (3) year period beyond their current termination date of December 30, 2023 for the reasons set forth herein. This request is specific to property parcel ID# 12-36-476-031, 8020/8030 Wadi Blvd. (owned by Four Corners Square Flats, LLC) and parcel ID# 12-36-476-032, 1449 Union Lake Road (owned by Four Corners Square, LLC).

The Developer began this Development nearly seven years ago with the assembly of land, comprising at that time four parcels, with the intent of building a best in class mixed use commercial development in an area of the Township that had not experienced new commercial development in quite some time. The project has overcome significant hurdles, including but not limited to increased costs due to unknown and unanticipated unsuitable soils which were not uncovered during the acquisition due diligence; and more recently the fallout caused by the Covid-19 pandemic which struck while the project was under construction. The increased costs incurred by the Developer as a result of the pandemic cannot be overstated. In addition to shutting down construction, the subsequent economic devastation wrought by material scarcity, exponentially increased labor costs and uncertainty in the commercial leasing market has nearly caused the Development to become insolvent.

The Developer, however, is committed to seeing this project to its fruition. This request does not include the new Tim Horton's or Taco Bell restaurants property which, while initially struggling to become profitable, appear now to be stable and absent another pandemic-type shutdown, should continue to provide some reasonable return on the investment. That is not the case with the apartment component, which struggles still to obtain sufficient occupancy to allow its financing to be restructured, a necessity for this Developer. Likewise, the remaining vacant lot on the corner still has not generated enough interest for the Developer to construct any type of speculative building.

FAUSONE BOHN, LLP

ATTORNEYS AT LAW

Township of White Lake
September 2, 2021
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The additional years of abatement will allow the Developer to restructure its current financing in order to stabilize the Development, and to buy time with the hope that the apartment leasing will accelerate in the near future. Likewise, the lower carrying costs created by the three additional years of abatement will allow the Developer to offer competitive rents for the end-users and its residents, as well as to continue to realize the vision of bringing best in class development to this underserved area.

The Developer is prepared to answer to Board's question regarding this request at its next available regularly scheduled meeting. Thank you again for your time and attention to this request.

Respectfully submitted,



Paul F. Bohn

cc: Shakir W. Alkhafaji

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