

Exhibit A  
*1999*  
 Amendments to the  
 M-26 and Sharon Avenue Corridor  
 Development and Tax Increment Finance Plan  
 of the  
 City of Houghton Tax Increment Finance Authority

1. Part I (the Development Plan) is amended by the addition of the following projects to the Development Plan of the DDA:

E. Additional Improvements.

The following projects within the Development Area are included as part of the Development Plan with the following estimated costs and time of completion, as such costs and time may be revised as the scope of the project is established by the TIFA, as the need for the project may change and as tax increment revenues may be available for the particular purpose:

Project	Estimated Cost	Estimated Completion
1. Utility and Road Improvements (Bluff Assisted Living development)	\$600,000	August 1, 2000
2. Walking Trail and Park Improvements (Bluff Assisted Living development)	\$ 80,000	June 30, 2002
3. Traffic Lights at Bridge Street and Sharon Avenue	\$ 35,000	October 1, 1999
4. Frue Street Improvements	\$ 35,000	October 1, 1999
5. Ambulance Garage	\$130,000	September 1, 2000
6. Public Works Garage Improvements	\$150,000	September 1, 2000

7. Utilities for Oak Grove Plat	\$ 50,000	September 1, 2002
8. Utilities for Bresnan Plat	\$ 65,000	September 1, 2003
9. Drainage and Utilities (Springwood Plat)	\$ 25,000	June 30, 2000
10. Sidewalk and Landscaping Improvements (Sharon Avenue)	\$ 75,000	June 30, 2001

The costs of the development of the proposed projects in this Section E. of the Development Plan are expected to be financed either on a “pay as you go” basis from captured tax increment revenues or through the proceeds of Tax Increment Bonds issued by the TIFA. Tax increment revenues may be used to reimburse advances from the City for the costs of the proposed projects. The TIFA may enter into agreements as to the amount, nature and method of reimbursement for costs of the proposed projects. These agreements may provide for the payment of interest on any reimbursement made by the DDA.

Currently all improvements made as part of the proposed projects in Section E. of the Development Plan are expected to be owned by the City. In general, the improvements will benefit all property within the development area, with the projects listed in number 1 and 2 below of specific benefit to the development of the Bluff Assisted Living project, project number 7 of specific benefit to Mattila Construction as the owner of property within the Oak Grove Plat, project number 8 of specific benefit to William Bresnan as the owner of property within the Bresnan Plat and project number 9 of specific benefit to Mattila Construction and the City as owners of property within the Springwood Plat. The ambulance garage (project number 5) may be leased to a private company that will provide ambulance services from that facility. These projects are anticipated to be located in the following portions of the Development Area:

Project	Anticipation Location
1. Utility and Road Improvements (Bluff Assisted Living development)	Sharon Avenue – West
2. Walking Trail and Park Improvements (Bluff Assisted Living development)	Sharon Avenue – West

3. Traffic Lights at Bridge Street and Sharon Avenue	Intersection of Sharon Avenue and Bridge Street
4. Frue Street Improvements	Frue Street from Bridge Street to Dodge Street
5. Ambulance Garage	Sharon Avenue and Gundlach Road
6. Public Works Garage Improvements	Sharon Avenue and Gundlach Road
7. Utilities for Oak Grove Plat	Sharon Avenue – West
8. Utilities for Bresnan Plat	Sharon Avenue – West
9. Drainage and Utilities (Springwood Plat)	Brookside Drive
10. Sidewalk and Landscaping Improvements (Sharon Avenue)	Sharon Avenue and M-26

The construction planned to make the improvements contemplated by the proposed projects in Section E. of the Development Plan (including repairs or alterations, any changes in streets, street levels, intersections or utilities, and any contemplated rehabilitation necessary for the completion of the proposed projects) are as follows:

Project	Construction Planned
1. Utility and Road Improvements (Bluff Assisted Living development)	Construction and installation of new road, curb, gutter, sanitary sewer, storm sewer, lighting, water, electric, gas and cable improvements.

2. Walking Trail and Park Improvements (Bluff Assisted Living development)	Construction of a 8 foot wide asphalt walking/bicycle trail with bench and rest areas that connects Sharon Avenue and M-26 through the Bluff Assisted Living development.
3. Traffic Lights at Bridge Street and Sharon Avenue	Traffic signal
4. Frue Street Improvements	New payment, curbs, gutters, and storm drainage improvements.
5. Ambulance Garage	Construction and equipping of a 3 bay garage and living quarters for on-duty personnel.
6. Public Works Garage Improvements	Construction of a salt and sand storage building and of an addition to a garage for truck storage. Drainage improvements related to this project.
7. Utilities for Oak Grove Plat	Construction and installation of water, sewer and new roads servicing this project.
8. Utilities for Bresnan Plat	Construction and installation of water, sewer and new roads servicing this project.
9. Drainage and Utilities (Springwood Plat)	Construction and installation of storm drainage system and improvements for this project.
10. Sidewalk and Landscaping Improvements (Sharon Avenue)	Installation of sidewalks on south side of Sharon Avenue between M-26 and Bridge Street and of landscaping along Sharon Avenue and M-26.

2. Part II.D. of the Tax Increment Finance Plan is amended to read as follows:

D. Tax Increment Financing Procedure.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in the value of real and personal property resulting from implementation of a Development Plan. The Tax Increment Finance Procedure is governed by Act 450 of the Public Acts of 1980, as amended. These procedures outlined below are effective as of the date this Tax Increment Finance Plan is adopted, but are subject to any changes imposed by future amendments to Act 450.

At the time the Tax Increment Finance Plan was initially approved by the City Council, the value of the property within the boundaries of the Authority's Development Area (the "Initial Assessed Value") was established. The Initial Assessed Value for the Authority's current Development Area is \$2,127,338.

In each subsequent year for the duration of the tax increment financing plan, the "Current Assessed Value" of property within the Development Area is determined. The Current Assessed Value for each year is the Taxable Value of the taxable property within the Development Area for that year.

The amount by which the Current Assessed Value exceeds the Initial Assessed Value in any one year is the "Captured Assessed Value." For the duration of the tax increment financing plan, the taxing jurisdictions will continue to receive tax revenues based upon the Initial Assessed Value. The Authority, however, (subject to exemptions that may be contained in this Tax Increment Finance Plan and the provisions of any agreements for the sharing of Captured Assessed Value) receives each year the following amounts ("Tax Increment Revenues"):

- (i) That portion of the ad valorem tax levy of all taxing jurisdictions on the Captured Assessed Value of the Development Area, other than the State, local school district and intermediate school district tax levies, and specific local taxes attributable to such ad valorem property taxes.
- (ii) Ad valorem tax levies, and specific local taxes attributable to such ad valorem tax levies, of the State, local school districts and intermediate school district on the Captured Assessed Value of the Development Area in an amount equal to the amount necessary to repay eligible advances, eligible obligations and other protected obligations, as defined by Act 450.

3. Part I.E. of the Tax Increment Finance Plan is amended to read as follows:

E. Bonded Indebtedness.

In addition to the bonds sold to the developers of Wal-Mart and Fairway Foods, all other costs of the projects identified in the Development Plan may be financed by one or more series of bonds issued by the Authority and payable from Tax Increment Revenues. In addition, the principal amount of bonds issued for the costs of a project identified in the Development Plan and payable from Tax Increment Revenues may include amounts to fund reserves, costs of issuance and capitalized interest.

3. Part I.H. of the Tax Increment Finance Plan is amended to read as follows:

H. Duration of the Tax Increment Finance Plan.

The Tax Increment Finance Plan shall be effective for all levies made before December 31, 2015 or until the principal and interest on any outstanding obligation or liability payable from tax increment revenues have been paid or sufficient funds have be segregated to fully make those payments when due, whichever is the later date. The Tax Increment Finance Plan's duration may be extended by amendment or modification in the event that projected revenues are insufficient to enable full implementation of the Development Plan or other circumstances prevent full implementation of the Development Plan during the period the Tax Increment Finance Plan is effective. The Development Plan shall be effective until the purposes for which its was established have been accomplished.