

**MEMORANDUM OF UNDERSTANDING  
FOR THE  
FUTURE OF HEALTH DEVELOPMENT PROJECT**

This Memorandum of Understanding ("MOU") is made and entered into as of February \_\_\_\_, 2024 by and between Henry Ford Health Systems, a Michigan non-profit health system, with its principal place of business at One Ford Place, 5B, 6005 Second Avenue, Detroit, Michigan 48202 ("HFH" or "FoH SPONSOR") and the Real Estate Association of Developers, a Michigan non-profit corporation, with its principal place of business at 1343-47 East Fisher Fwy, Floor 3, Detroit, MI 48243 ("READ").

HFH and READ may each be referred to herein as a "Party" or collectively as the "Parties"

**RECITALS**

WHEREAS, HFH is an integrated, non-profit health system headquartered in Detroit, Michigan that was founded in 1915 by Henry Ford to improve the health and well-being of the people and communities it serves. HFH is recognized by the Internal Revenue Service as a 501(c)(3) organization. HFH is one of the largest healthcare providers in the state and is committed to providing high-quality, affordable healthcare to the community.

WHEREAS, READ is a non-profit organization that was founded by Detroit developers to increase the market share of developers of color, create a pipeline of future developers, and create a more equitable development ecosystem in Detroit. READ is recognized by the IRS as a 501(c)(3) organization. READ provides their members with advocacy, access to capital resources, networking opportunities, and technical training and assistance.

WHEREAS, HFH, together with Pistons Sports & Entertainment, LLC ("Pistons") and the Board of Trustees of Michigan State University ("MSU") are undertaking to develop respective portions of the Future of Health project in the City of Detroit (the "Project") consisting of integrated parking, health care/research/laboratory space, retail/commercial space, and mixed-income residential units, including:

- Major expansion of Henry Ford Hospital with new 1 million+ square foot patient tower, housing an expanded emergency department, support services, and utility infrastructure
- New cutting-edge 335,000 square foot Research Center for Henry Ford Health + Michigan State University Health Sciences
- The creation of over 600 housing units and 33,000 square feet of retail and community space located in two new residential/mixed-use buildings and the conversion of One Ford Place to a residential/mixed-use building. Planned residential housing will include an affordable housing component
- Two new parking structures with ~2,000 total spaces
- New public recreation and green spaces

WHEREAS, READ expresses its support for the inspirational and promising Project. READ stands firmly behind the vision of the Project.

WHEREAS, READ takes a positive position on taxpayer incentives targeted toward real estate development, recognizing that many development projects within the City of Detroit require some level of public-private partnership to be viable.

WHEREAS, the FoH SPONSOR has (i) participated in significant community engagement inside and outside of the City of Detroit Community Benefits Ordinance process; (ii) will be entering into or/has entered into a Community Benefits Agreement (“CBA”); (iii) and the FoH SPONSOR, Pistons and MSU, in consultation with the Neighborhood Advisory Council (“NAC”), have made the commitments around affordable housing, environmental design, housing accessibility, health care services, bias training, and close proximity infrastructure investments reflected in the CBA. The list of asks from the community has been lengthy and the FOH SPONSOR’S, Pistons’ and MSU’s response and commitment have been involved. READ acknowledges this effort from the FOH SPONSOR, Pistons and MSU team.

WHEREAS, the FoH SPONSOR has operated for more than 100 years, is deeply entrenched within the Detroit community, and has a standing commitment to Equity within “Pillar 1: Community” of its Strategic Plan. The FoH SPONSOR recognizes that diversity within its supply chain for the Project is critical for the Project’s long-term success and that maintaining and supporting diversity is part of the core tenets of the FoH SPONSOR as an organization.

WHEREAS, the FoH SPONSOR anticipates the procurement of an estimated value of \$1.3 billion of construction related goods and services relating to the Project.

WHEREAS, the FoH SPONSOR encourages the utilization of joint ventures and other strategic alliances to achieve the participation of minority-owned business enterprises (“MBE”) and women-owned business enterprises (“WBE”; each of MBE and WBE inclusive of Disadvantaged Business) in all prime roles including, but not limited to the following areas: architectural services, general contracting, purchases and other services provided to the Project.

WHEREAS, the Detroit City Code of Ordinances does not have a definition of the term “disadvantaged”; accordingly, READ wishes to establish a shared understanding with FOH SPONSOR that for purposes of this MOU, a “Disadvantaged Business” is defined as one that is owned by a Black/African American or Hispanic/Latino person or persons.

WHEREAS, the vast majority of READ member-developers are Disadvantaged Businesses.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the FoH SPONSOR and READ agree as follows:

1. **PURPOSE AND OBJECTIVES**. The purpose of this MOU is to establish a framework for taking further steps in advancing equitable real estate development through the Project. The Parties aim to achieve specific, measurable, achievable, relevant, and time-bound objectives to be defined by the Parties.
2. **FoH SPONSOR COMMITMENTS**. The Project is a significant, complex, multi-tiered, multi-site, and multi-layered real estate development. Subject to any and all applicable federal and

state laws, statutes, rules and regulations governing the operation and administration of FoH SPONSOR, FoH SPONSOR agrees to the following with respect to the Project:

- a. **Supporting Related READ Efforts with Respect to the Project.** This MOU acknowledges that READ is having direct discussions with the Pistons regarding the multi-family housing and parking components of the Project. FoH SPONSOR further acknowledges that those discussions are ongoing and may result in a separate, but complementary MOU ("Pistons MOU"). READ recognizes that FoH SPONSOR may not be a direct party to a Pistons MOU but seeks FoH SPONSOR'S understanding that this MOU and the Pistons MOU, when taken together, will provide key opportunities to Detroit's Disadvantaged Businesses. In addition, the FoH SPONSOR agrees to collaborate with READ on various solutions (by way of illustration only and not limitation: programming, grants, engagement, leasing, and sale-leaseback strategies) that promote equitable real estate development.
- b. **Hiring Disadvantaged Construction Businesses.** The FoH SPONSOR has committed to including Detroit-based, Disadvantaged construction businesses throughout the scope of the Project as reflected in the CBA and included below:

*"Business Spend. Developer shall make reasonable efforts to procure or cause to be procured, thirty percent (30%) of the total development costs of the Project from Detroit-Based Businesses, Detroit-Based Small Businesses, Detroit Headquartered Businesses and Detroit-Resident Businesses, each of the foregoing capitalized terms having the same definition as in Chapter 23 of the 2019 Detroit City Code and being certified by CRIO. Developer shall, to the extent permitted by Applicable Law, have a target to procure, or cause to be procured, at least one hundred million dollars (\$100,000,000) of goods and services from disadvantaged businesses and women-owned businesses."*

- i. The FoH SPONSOR agrees and acknowledges that the Detroit-based Disadvantaged Businesses that are defined within this MOU are a subset of the businesses referenced within the CBA.
- ii. The FoH SPONSOR will continue its efforts to encourage the utilization of joint ventures and other strategic alliances to achieve MBE/WBE (including Disadvantaged Business) participation in all prime roles including, but not limited to the following areas, architectural services, general contracting, subcontracting, purchases, and other services provided to the Project in accordance with the standard FoH SPONSOR procurement policy.
- iii. The FoH SPONSOR will encourage the general contractor, consultants, and third-party contractors to use good faith efforts to the degree reasonably possible, to utilize MBE/WBE (including Disadvantaged Business) contractors and consultants in accordance with the standard FoH SPONSOR procurement policy.
- iv. The FoH SPONSOR, as a show of its commitment to inclusion, commits to keep in place the previously existing program within its existing supply chain procurement policies, which will provide for MBE/WBE (including

Disadvantaged Business) participation goals in the areas of general contracting and subcontracting services in the amount of 30% of the portion of the Project's construction procurement within the FoH SPONSOR's direct control. These goals shall not be intended as quotas or hard commitments, but as targeted minimum goals.

- c. **Comprehensive Economic Development Framework Plan (CEDFP).** Commencing not later than January 1, 2025 ("Framework Commencement Date"), FOH SPONSOR will prepare a comprehensive housing and economic development framework which will outline geographies, strategies, actions, and assets to address both housing and economic development needs for those HFH-owned parcels within the location footprint reflected below, with the ultimate goal to create a well-rounded approach that integrates these interconnected areas to achieve positive and equitable outcomes for residents and businesses.
- i. Location. The area is bounded by Woodward to the east, Warren to the I-94 Ford Freeway to the south, I-96 to the west and Euclid to the North.
  - ii. Anticipated Timeline. Completed within 12 months of the Framework Commencement Date.
  - iii. Key Attributes. The CHFP should make clear targets around housing typologies, affordability, commercial investment and other elements that led to the creation of a dynamic, medical and medical research zone, while supporting existing residents. The CHFP should also have a funding planning component so that the broader ecosystem has an idea of how capital resources can be acquired and deployed throughout the development zone.
  - iv. Equitable Development. The CHFP should also identify key parcels owned by the FOH development entities. READ is prepared to offer its organizational experience to the CHFP effort to ensure that the final plan offers specific strategies to further grow the capacity of local developers.
- d. **Future Real Estate Development Opportunities for Disadvantaged Businesses.** Provided READ and its members have completed the FOH SPONSOR's registration process, including obtaining any necessary certifications:
- i. the FoH SPONSOR will notify READ and any such member of current and future residential, commercial, health care, hospitality, office, and/or other development opportunities that exist within the FoH SPONSOR's normal course of operations.
  - ii. The FoH SPONSOR also will provide in writing a procedure that will allow for READ developers to provide development proposals for HFH-owned assets. This proposal will provide clear criteria for support, timing, and decision-making process for support of the possible development proposals.
  - iii. The FoH SPONSOR will encourage the utilization of joint ventures and other strategic alliances to achieve MBE/WBE (including Disadvantaged Business)

participation in development and co-development opportunities of HFH-owned parcels designated for disposition and/or development.

4. **READ Commitments**. In support for the Project, READ will, where requested by the FoH SPONSOR:
  - a. Engage READ member-developers to support and partner with the Project's visionaries, lending READ's expertise and resources to ensure the Project reaches its full potential;
  - b. Provide thought leadership and other solution-oriented expertise in order to create the biggest possible pool of opportunity for Disadvantaged Businesses; and
  - c. Provide other mechanisms of support for the FOH Project that could be useful and needed.
5. **SCOPE**. This MOU does not constitute a legally binding commitment by either Party and shall not be enforced by or against either Party.
6. **DISPUTE RESOLUTION**. In the event of any dispute arising under this MOU, the Parties will attempt to resolve it amicably through good faith discussions.
7. **ENTIRE AGREEMENT**. This MOU constitutes the understanding of the Parties, and may not be altered, unless agreed upon in writing by the Parties. The Parties also reserve the right to further amend, clarify, and revise this document in order to advance the stated outcomes.
8. **GOVERNING LAW**. This MOU shall be governed by and construed in accordance with the laws of the State of Michigan.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first written above.

READ:

DocuSigned by:

By: David Alade  
Name: David Alade  
Its: President  
Date: February 19, 2024

HFH: HENRY FORD HEALTH SYSTEMS:

DocuSigned by:

By: Denise Brooks-Williams  
Name: Denise Brooks-Williams  
Its: EVP & CEO  
Date: February 19, 2024