

## PUBLIC NOTICE

Chair  
ERIC SCHERTZING

Vice-Chair  
DEB NOLAN

Appointed Members  
**REBECCA BAHAR-COOK, Treasurer**  
**BRIAN MCGRAIN, Secretary**  
**DEBBIE DE LEON**

### **Ingham County Land Bank Fast Track Authority**

422 Adams Street, Lansing Michigan 48906 517.267.5221 Fax 517.267.5224

**THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY WILL MEET ON MONDAY, AUGUST 1, 2011 AT 5:00 P.M., IN THE PERSONNEL CONFERENCE ROOM (D&E), HUMAN SERVICES BUILDING, 5303 S. CEDAR, LANSING**

#### Agenda

Call to Order

Approval of Minutes – July 11, 2011

Additions to the Agenda

Limited Public Comment – 3 minutes per person

1. Priorities, Policies and Procedures
  - a. Policies Governing the Acquisition of properties
2. 2011 Budget Review
3. 2010 Audit
4. Property maintenance, renovation & development
  - a. Property Update
  - b. OCOF-Articles of Incorporation & Bylaws
  - c. PROP
  - d. General legal update- Counsel
5. Accounts Payable & Monthly Statement
  - a. Accounts Payable Approval – July 2011
  - b. Monthly Statement – June 2011

Announcements

Public Comment – 3 minutes per person

Adjournment

**PLEASE TURN OFF CELL PHONES OR OTHER ELECTRONIC DEVICES OR SET TO MUTE OR VIBRATE TO AVOID DISRUPTION DURING THE MEETING**

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

July 11, 2011  
Minutes

Members Present: Eric Schertzing, Comm. Bahar-Cook, Comm. Nolan and Comm. McGrain

Members Absent: Comm. DeLeon

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dorothy Boone, Bruce Johnston, Shanda Wrozek

The meeting was called to order by Chairperson Schertzing at 5:02 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the June 13, 2011 Minutes

Chairperson Schertzing stated the announcements section should state the PROP Program press conference will be held June 27, 2011. Comm. Nolan asked that the word "complete" be changed to "compete" in the final paragraph of page 3 of the minutes. Comm. McGrain asked that section 3 of the minutes reflect his request for a letter from the Fishers withdrawing their Offer to Purchase on the Mason Project.

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE THE JUNE 13, 2011 MINUTES AS AMENDED. MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda:

The following items were added to the agenda:

- 7d. HAND Program
- 7e. PROP Program

Limited Public Comment:

Bruce Johnston, Executive Director and Shanda Wrozek, Deputy Director of the Ingham County Housing Commission informed the board a \$400,000 grant had been secured from MSHDA to help facilitate the renovation of the upstairs units on the Mason Project. They also informed the board approval had been obtained to change the terms of the County's NSP1 program designations to allow for demolition and new construction in the City of Mason. This will facilitate the construction of the first new homes within 2

blocks of downtown Mason in over 50 years. They informed the board Phase II of the Eden Glen Condo renovations is almost complete. They updated the board on the progress of NSP2 demolitions.

1. City of Lansing Master Plan – Dorothy Boone – 30 Minute Presentation

Dorothy Boone, Development Manager with the City of Lansing's Planning and Neighborhood Development Department, presented an overview of the City's new Master Plan draft. She stated County Commissioners would be consulted in the process as an adjacent governmental jurisdiction. She stated the legislative steps should be completed in approximately six months. The Master Plan is used to provide the basis of City regulations including zoning and code issues. The priorities identified in the new Master Plan are economic development, neighborhoods, infrastructure and transportation. Ms. Boone stated this was the first comprehensive update to the City's Master Plan since 1958. Ms. Boone also stated the land use plan included in the Master Plan can provide a guide for the Land Bank when making decisions about how to dispose or utilize its vacant land.

2. Resolution to Establish a Position to Sell or Lease Vacant Parcels

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK, TO ESTABLISH A POSITION TO SELL OR LEASE VACANT PARCELS.

Comm. Nolan asked if the resolution contained language stating all properties would be sold for fair market value. Executive Director Ruttan stated our Policies and Procedures establish the guidelines for property transfers. Comm. Nolan stated her belief that broad discretion should be allowed for sales of vacant land at prices below fair market value in order to get properties off our books and back onto the tax roll. Chairperson Schertzing stated his belief the Land Bank should be careful to not flood the market place with under-valued sales, thereby decreasing overall property values. He further stated that we need to be careful to not let our eagerness to get vacant properties off the books outweigh our strategic vision for properties in inventory. Chairperson Schertzing asked Ms. Boone about the resolution language concerning a neighborhood advisory board. Ms. Boone stated her belief that neighborhoods should be aware what is being contemplated, but the board should be careful to not let the neighborhood take control of the disposition of properties. Executive Director Ruttan stated her belief the final whereas clause should not be apart of this resolution; but rather, its own separate resolution if the board wishes to establish an advisory group.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN, TO STRIKE THE FINAL WHEREAS CLAUSE FROM THE RESOLUTION. MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

Comm. Nolan suggested that two separate brochures be created, one for properties included in the NSP programs and one for non-NSP properties.

3. Resolution to Authorize Federal Procurement Guideline for NSP2 Grant

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO AMEND THE LAND BANK'S PROCUREMENT POLICY AS IT RELATES TO THE NEIGHBORHOOD STABILIZATION PROGRAM 2 GRANT #NS2-2009-6073.

Chairperson Schertzing stated the therefore be it resolved section of the resolution seems to end abruptly and "to comply with CFR Part 85, OMB Circular A-102 and OMB Circular A-87" should be added to the end. Comm. Bahar-Cook made a friendly amendment to effect the change in language. Comm. McGrain asked if the Land Bank goes above and beyond what the County requires for procurement. Executive Director Ruttan stated the Land Bank's procurement policy mirrors the County's. She further reiterated this resolution only amends our policy as it pertains to NSP2.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

4. Resolution to Authorize Lansing Urban Farm Project Expenditure

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN, TO AUTHORIZE THE EXPENDITURE OF MATCHING FUNDS UP TO \$4,000.00 TO HELP EXPAND THE LANSING URBAN FARM PROJECT.

Comm. Nolan asked what the total cost of the project was expected to be. Chairperson Schertzing stated it was expected to be between \$8,000.00 and \$10,000.00. Comm. Nolan asked where the rest of the money will be coming from. Chairperson Schertzing stated that was yet to be determined; they are exploring grant options and any funds from the Land Bank would match other funds obtained. Chairperson Schertzing encouraged board members to attend the farm stand sales on Tuesdays 5-7 and Saturdays 9-12.

MOTION CARRIED UNANIMOUSLY.

5. Resolution to Authorize Lansing Regional Bike Share Expenditure

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO AUTHORIZE THE EXPENDITURE OF MATCHING FUNDS UP TO \$20,000.00 FOR THE LANSING REGIONAL BIKE SHARE COOPERATIVE.

Chairperson Schertzing stated the funds would only be released when \$100,000.00 of other funds and a program manager had been obtained. Comm. Bahar-Cook pointed out that the resolution did not specifically state the \$100,000.00 requirement and made a friendly amendment to the be it further resolved clause to replace "enough" with "\$100,000.00 or more." Chairperson Schertzing stated both the Lansing Economic Development Corporation and the Mayor's Office were supportive of the project. He also stated MSHDA and CATA are contemplating financial support for the project.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

6. Commissioner Bahar-Cook Discussion Topics

Comm. Bahar-Cook stated her belief that board members need to have a strategic planning meeting, separate from the regular board meetings. Comm. Nolan stated her agreement. Chairperson Schertzing asked if the board was interested in finding a group such as Public Policy Associates to facilitate the process. Executive Director Ruttan stated the first thing to do would be to prioritize the items Comm. Bahar-Cook presented and suggested that a re-evaluation of our policies be undertaken first. Comm. Bahar-Cook suggested that could be discussed at regular meetings, one section at a time. Discussion of topics to be included in the planning session took place. Comm. McGrain stated he felt a separate planning meeting would be beneficial to all members, regardless of what comes out of it.

7. Property Maintenance, Renovation & Development

7a. Property Update

Chairperson Schertzing stated 1621 E Michigan is expected to close in the next few weeks. He stated Pat Gilesie has obtained a letter of intent from a first floor tenant for the Silver Dollar site project. Comm. Nolan asked for an update on 112 E Main. Executive Director Ruttan stated we have not yet received the appraisal. Chairperson Schertzing discussed our policy requirement that commercial sales include a letter of approval from a local planning body. In the case of 112 E Main, the LEDC will be providing that support, or non-support. He stated the LEDC would be very supportive of a possible development of the site if it involved a specific partner and that he would be executing a purchase agreement that would only be enforceable if the development involved that specific partner. Comm. McGrain asked if the Lansing City Council would be involved in the process. Chairperson Schertzing stated the only input from the City would come through the LEDC. Comm. McGrain stated he had heard rumors the Bike Share program would be using the property at 601 E Michigan. Chairperson Schertzing stated a Phase I environmental assessment had been done on the site and it is hopeful NSP2 can cover some of the demolition costs, but an end use for the site has not yet been identified.

7b. OCOF-Ruttan Resignation from Board

Executive Director Ruttan submitted her letter of resignation from the OCOF board. Comm. Bahar-Cook asked for staff recommendations for her replacement. Executive Director Ruttan stated the Land Bank would be best represented by a business-minded person versus someone focused on the social service aspects of the group. Comm. McGrain stated he would be willing to circulate a position description and time requirements to some of his associates at Great Lakes Capital Fund.

7c. General Legal Update – Counsel

Tim Perrone stated there are no pending legal issues involving the Land Bank.

7d. HAND Program

Chairperson Schertzing stated the HAND Program's press conference was very well covered by local media. Executive Director Ruttan stated a wheelchair-bound individual has expressed interest in purchasing the home at 5219 Hughes Rd. Chairperson Schertzing stated the HAND Program would be a feature of our next marketing blitz.

7e. PROP Program

Chairperson Schertzing updated the board on the PROP Program. Comm. McGrain asked about persons interested in properties not currently being marketed in the program. Chairperson Schertzing stated the program is currently limited to the houses offered, but will be expanded if it proves successful.

8. 2011 Tax Foreclosures List

Pursuant to Comm. McGrain's request, Executive Director Ruttan presented an outline of the intended disposition of the 2011 tax foreclosures. Chairperson Schertzing stated the Treasurer intended to hold pre-auction open houses at approximately 15 structures.

9. Accounts Payable & Monthly Statement

9a. Accounts payable approval – June 2011

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO APPROVE THE ACCOUNTS PAYABLE FOR JUNE 2011. MOTION CARRIED UNANIMOUSLY.

7b. Monthly Statement – May 2011

The May 2011 monthly financial statement was received and placed on file.

Announcements:

Comm. Nolan stated Potter Park Zoo would be open for free admission on July 12<sup>th</sup> and 13<sup>th</sup>.

Limited Public Comment: None

The meeting adjourned at 7:23 p.m.

Respectfully submitted,

Joseph Bonsall

**INGHAM COUNTY  
LAND BANK AUTHORITY**

**PRIORITIES, POLICIES AND PROCEDURES**

**As amended by the Board of Directors on March 7, 2011**

## **1. Policies Governing the Acquisition of Properties**

The acquisition and disposition of properties acquired by the Treasurer of Ingham County through tax foreclosure procedures in accordance with 1893 P.A. 206, as amended by 1999 P.A. 123, MCL §211.1 et. seq., and properties that are owned by the Ingham County Land Bank Fast Track Authority (the “LBA”), shall be governed by the following basic priorities and policies.

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the Constitution of Michigan, the laws of the state of Michigan, the Land Bank Agreement by and between Ingham County, Michigan and the State of Michigan dated September 7, 2005, the articles of incorporation and bylaws of the Ingham County Land Bank Fast Track Authority, and the public purposes set forth therein.

### **1.A. Policies Governing the Acquisition of Tax-Foreclosed Properties**

In determining which, if any, properties shall be acquired by purchase or bundling that become available through the tax foreclosure processes for acquisition by Ingham County or by the Land Bank Authority, the Treasurer shall give consideration to the following factors:

1. Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
2. Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
3. Residential properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation.
4. Improved properties that are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.
5. Vacant properties that could be placed into the Side Lot Disposition Program.
6. Properties that would be in support of strategic neighborhood stabilization and revitalization plans.
7. Properties that would form a part of a land assemblage development plan by the Land Bank Authority.
8. Properties that will generate operating resources for the functions of the Land Bank Authority.

The Treasurer may combine properties from one or more of the foregoing categories in structuring the terms and conditions of the statutorily required auctions of the tax foreclosure properties, and may acquire any such properties prior to auctions, at such auctions, or subsequent to auctions as authorized by law. In determining the nature and



extent of the properties to be acquired the Treasurer shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions, the operational capacity of the LBA, and the projected length of time for transfer of such properties to the ultimate transferees.

### **1.B. Policies Governing the Acquisition of Non Tax-Foreclosed Properties**

The Land Bank Fast Track Act, 2003 PA 258, MCL 124.755 et seq allows for the direct purchase of property. While the foundation of the Land Bank property is acquired through the tax foreclosure process, there will be opportunities for direct purchase of mortgage foreclosed, redevelopment project, “red tagged”, and other properties that represent the mission of the Land Bank. Policies and Procedures to carry out these Priorities are:

1. Accumulate property information including assessment data, map location, photos, code violation information and other pertinent information regarding the property.
2. Personal inspection of the interior/exterior of the property.
3. Contact the local jurisdiction and receive a written evaluation of the property relative to their community/neighborhood plan.
4. Conduct a rehabilitation evaluation including a cost analysis estimate or a vacant land redevelopment analysis.
5. Request a rehabilitation/redevelopment appraisal or market value estimate from professional service staff.
6. Professional staff will prepare a financial and policy analysis, and present the information to the chairman or executive director to establish purchase price and approval. If board approval is required, professional staff will prepare a Resolution and Resolution Staff Review Form for presentation to the board.
7. If purchase price is over \$100,000, board approval is required.
8. All commercial property acquisition requires board approval.
9. If executive director is directly involved in the acquisition, chairman of board approval is required.

## Ingham County Land Bank 2011 Budget

	APPROVED	As Of 6/30/11
<b>Revenue</b>		
Start up funding Ingham County	250,000.00	250,000.00
Commercial Sales	1,000,000.00	205,000.00
Renovation Sales	1,400,000.00	897,323.00
Sales-Side Lot	15,000.00	6,300.00
Interest Income	65,000.00	86,240.00
Developer Fee Income	200,000.00	111,090.00
Specific Tax	18,000.00	0.00
Brownfield	2,500,000.00	1,451,115.00
HOME Funding	600,000.00	72,799.00
NSP1	1,000,000.00	515,244.00
NSP1 Sale Proceeds	560,000.00	0.00
Rental Income	30,000.00	11,150.00
NSP2 MSHDA Adm.Fee Revenue	180,000.00	26,537.00
NSP2	5,500,000.00	1,378,513.00
Youth Build Revenue	60,000.00	0.00
NSP County	0.00	4,125.00
Misc/other	0.00	558.00
<b>Total Revenue</b>	<b>13,378,000.00</b>	<b>5,015,994.00</b>
 <b>Expenses</b>		
Acquisitions	100,000.00	0.00
Cost of Land Sold/Inventory	9,710,000.00	4,624,915.00
Administrative Costs	555,900.00	203,888.00
<b>Total Expenses</b>	<b>10,365,900.00</b>	<b>4,828,803.00</b>
 <b>Net Revenue/Expense</b>	 <b>3,012,100.00</b>	 <b>187,191.00</b>
 <b>Breakdown of Cost of Land Sold/Inventory</b>		
Construction - Rehab	1,200,000.00	2,360,568.00
Current Years Taxes	200,000.00	0.00
Maintenance/lawn	400,000.00	42,209.00
Minimum Bid purchases	200,000.00	0.00
Brownfield Eligible Expense	500,000.00	0.00
NSP1 Expense	1,000,000.00	514,002.00
HOME Funding	600,000.00	2,827.00
Sale/Marketing Expense	50,000.00	15,572.00
NSP2 Expense	5,500,000.00	1,482,452.00
Youth Build Expense	60,000.00	0.00
NSP County	0.00	3,269.00
Land Contract Default	0.00	201,872.00
Misc/other Expense	0.00	2,144.00
<b>Total</b>	<b>9,710,000.00</b>	<b>4,624,915.00</b>
 <b>Administrative Costs</b>		
Administration	53,900.00	38,452.00
Data Information/Computers	10,000.00	600.00
Contract Services & Staffing	250,000.00	95,325.00
Maintenace Staff + Equipment	90,000.00	4,545.00
Interest Expense - loan	50,000.00	35,470.00
Legal	30,000.00	4,406.00
Media/Public Relations	12,000.00	11,992.00
Consultants	50,000.00	13,098.00
County Administration Charge	10,000.00	0.00
<b>Total</b>	<b>555,900.00</b>	<b>203,888.00</b>

	2011 Administrative Expense Budget	As Of 6/30/11
Office Supplies	7,000	7,774
Audit Expense	3,000	8,500
Communication	5,000	2,306
Security	600	279
Memberships	1,500	515
Office Rental	7,800	0
Office Utilities	3,000	0
Postage	2,500	853
Media/Public Relations	12,000	11,992
Consultants	50,000	13,098
Legal	30,000	4,406
Contractual Services	100,000	35,802
Computer Software	10,000	600
Travel/Mileage	5,000	5,068
Prof. Training/conferences	3,000	890
Payroll Reimbursement	150,000	59,523
Bldg. Maintenance	65,000	4,545
Interest Expense	50,000	35,470
County Allocation	10,000	0
Vehicle Expense	25,000	0
Garden Project	7,500	4,712
Americorp	8,000	4,373
Bike Share Progarm	0	3,182
	555,900	203,888

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE  
UNDER SAS NO. 114**

June 14, 2011

To the Chairperson and Members of the  
Ingham County Land Bank Fast Track Authority  
Lansing, Michigan

We have audited the financial statements of the *Ingham County Land Bank Fast Track Authority* (the “Authority”) for the year ended December 31, 2010, and have issued our report thereon dated June 14, 2011. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133**

As stated in our engagement letter dated January 20, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Authority’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the Authority’s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority’s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Authority’s compliance with those requirements.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on March 14, 2011.

### **Significant Audit Observations**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such adjustments were made during the course of our audit.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated June 14, 2011.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the Ingham County Land Bank Fast Track Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lehmann Lobson". The signature is written in black ink and is positioned below the text "Very truly yours,".

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

**Financial Statements and  
Single Audit Act Compliance**

**For the Year Ended December 31, 2010**

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

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**INDEPENDENT AUDITORS' REPORT**

June 14, 2011

To the Chairperson and Members of the  
Ingham County Land Bank Fast Track Authority  
Lansing, Michigan

We have audited the accompanying basic financial statements of the ***Ingham County Land Bank Fast Track Authority***, a discretely presented component unit of Ingham County, Michigan, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the management of the Ingham County Land Bank Fast Track Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ingham County Land Bank Fast Track Authority as of December 31, 2010, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2011, on our consideration of ***Ingham County Land Bank Fast Track Authority's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3-6 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Lehmann Johnson".

**MANAGEMENT'S DISCUSSION  
& ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Ingham County Land Bank Fast Track Authority (the "Authority") is a Michigan public body corporate organized pursuant to the Michigan Land Bank Fast Track Act, 2003 PA 258, MCL 124.751-124.774, and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ingham, Michigan, dated September 7, 2005. The Authority is a discretely presented component unit of Ingham County, Michigan.

The Authority presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Using the Annual Report

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the *statement of net assets*, the *statement of revenues, expenses and change in net assets*, the *statement of cash flows* and the *notes to the basic financial statements*.

- The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *statement of revenues, expenses and change in net assets* presents information showing how the Authority's net assets changed during the most recent fiscal year.
- The *statement of cash flows* presents information showing in greater detail how the Authority received and disbursed cash during the most recent fiscal year.
- The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Financial Analysis

The net assets of the Authority are summarized for the purpose of determining the overall fiscal position. As shown in Table 1 below, the Authority's assets exceeded liabilities by \$1,704,579 at the end of the fiscal year. This is primarily due to the value of the Authority's property inventory. It should be noted that the resources needed to repay liabilities are contingent upon sales from the Authority's property inventory.

A comparative analysis of the data is presented below:

**Table 1. Ingham County Land Bank Fast Track Authority's Net Assets**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current and other assets	\$ 2,939,978	\$ 1,576,823
Property inventory	<u>4,911,165</u>	<u>5,325,998</u>
<b>Total assets</b>	<u>7,851,143</u>	<u>6,902,821</u>
<b>Liabilities</b>		
Long-term liabilities	4,790,000	4,024,166
Other liabilities	<u>1,356,564</u>	<u>691,577</u>
<b>Total liabilities</b>	<u>6,146,564</u>	<u>4,715,743</u>
<b>Net assets</b>		
Unrestricted	<u><u>\$ 1,704,579</u></u>	<u><u>\$ 2,187,078</u></u>

When comparing this fiscal year to the previous year, net assets have decreased by \$482,499 (see Table 2 below). The majority of the decrease resulted from increased expenses due to the following:

- The Authority had incurred brownfield eligible expenses in excess of \$1,400,000 for which reimbursement from the Ingham County Brownfield Authority was pending, pursuant to bond issuance (which occurred in January 2011).
- The Authority's involvement as the developer/subrecipient of the City of Lansing's award under the federal Neighborhood Stabilization Program (NSP) 1.
- The Authority's involvement as a partner (via Memorandum of Understanding) under the County of Ingham, Michigan's award under the federal NSP1.
- The Authority's involvement as a subrecipient of the Michigan State Housing Development Authority's award under the federal NSP2.

**Table 2. Ingham County Land Bank Fast Track Authority's Change in Net Assets**

	<u>2010</u>	<u>2009</u>
Total revenue	\$ 6,090,186	\$ 3,323,306
Total expenses	<u>6,572,685</u>	<u>2,043,506</u>
Change in net assets	(482,499)	1,279,800
Net assets, beginning of year	<u>2,187,078</u>	<u>907,278</u>
Net assets, end of year	<u><u>\$ 1,704,579</u></u>	<u><u>\$ 2,187,078</u></u>

### **Long-term Debt**

At the end of the fiscal year, the Authority had total debt obligations of \$4,790,000. On June 29, 2010 two notes held by PNC Bank were amended for the purposes of extending their maturity dates to July 1, 2013. On June 21, 2010, the Authority paid off its note held by Capital National Bank. The two outstanding notes are backed by the full faith and credit of Ingham County.

**Table 3. Ingham County Land Bank Fast Track Authority's Debt**

	<u>2010</u>	<u>2009</u>
Capital National Bank	\$ -	\$ 374,166
National City Bank / PNC Bank	<u>4,790,000</u>	<u>3,650,000</u>
<b>Total long-term debt</b>	<u><u>\$ 4,790,000</u></u>	<u><u>\$ 4,024,166</u></u>

Additional information on the Authority's long-term debt can be found in detail in the accompanying notes of this report on pages 12-13.

### **Economic Factors and Next Year's Budget**

The Authority expects to continue its involvement with both the NSP1 and NSP2 programs in 2011. As a result, 2011 revenues and expenses are expected to rise significantly. For 2010, the Authority had operating revenues of \$6.0 million and operating expenses of \$6.6 million. For 2011, operating revenues are expected to exceed \$13.3 million with operating of \$10.4 million.

## **Contacting the Authority**

This financial report is designed to provide a general overview of the Authority's finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Ingham County Land Bank Fast Track Authority, 422 Adams Street, Lansing, Michigan 48906.

# **BASIC FINANCIAL STATEMENTS**



**Ingham County Land Bank  
Fast Track Authority**

**Statement of Net Assets**

**December 31, 2010**

**Assets**

Current assets:

Cash and cash equivalents	\$ 334,260
Accounts receivable	1,297,997
Current portion of land contracts receivable	14,717
Current portion of notes receivable	192,478
Property inventory	<u>4,911,165</u>

Total current assets 6,750,617

Noncurrent assets:

Land contracts receivable, net	920,526
Notes receivable	<u>180,000</u>

Total noncurrent assets 1,100,526

**Total assets** 7,851,143

**Liabilities**

Current liabilities:

Accounts payable	640,952
Due to Ingham County	<u>715,612</u>

Total current liabilities 1,356,564

Noncurrent liabilities - notes payable 4,790,000

**Total liabilities** 6,146,564

**Net assets, unrestricted** \$ 1,704,579

The accompanying notes are an integral part of these financial statements.

**Ingham County Land Bank  
Fast Track Authority**

**Statement of Revenues, Expenses  
and Changes in Net Assets**

**For the Year Ended December 31, 2010**

<b>Operating revenues</b>	
Property sales	\$ 1,430,578
Intergovernmental:	
Federal grants	3,929,133
Brownfield reimbursement	103,705
Other revenues	<u>571,349</u>
Total operating revenues	<u>6,034,765</u>
<b>Operating expenses</b>	
Cost of property sold	2,331,354
Parcel maintenance	3,537,842
Administration	<u>703,489</u>
Total operating expenses	<u>6,572,685</u>
Operating loss	(537,920)
<b>Nonoperating revenues</b>	
Interest revenue	<u>55,421</u>
Change in net assets	(482,499)
Net assets, beginning of year	<u>2,187,078</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,704,579</u></u>

The accompanying notes are an integral part of these financial statements.

**Ingham County Land Bank  
Fast Track Authority**

**Statement of Cash Flows**

**For the Year Ended December 31, 2010**

**Cash flows from operating activities**

Cash received from customers and governmental units	\$ 4,901,542
Cash paid to contractors, vendors and staff	<u>(5,492,865)</u>
Net cash used by operating activities	<u>(591,323)</u>

**Cash flows from noncapital financing activities**

Line of credit cash draws	1,325,000
Payments on borrowing	<u>(559,166)</u>
Net cash provided by noncapital financing activities	<u>765,834</u>

**Cash flows from investing activities**

Interest revenue received	<u>55,421</u>
Net increase in cash and cash equivalents	229,932

Cash and cash equivalents, beginning of year	<u>104,328</u>
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<b>Cash and cash equivalents, end of year</b>	<b><u><u>\$ 334,260</u></u></b>
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**Reconciliation of operating income to net cash used by operating activities**

Operating loss	\$ (537,920)
Changes in assets and liabilities:	
Accounts receivable	(642,958)
Land contracts receivable	(140,862)
Notes receivable	(349,403)
Property inventory	414,833
Accounts payable	421,143
Due to Ingham County	<u>243,844</u>

<b>Net cash used by operating activities</b>	<b><u><u>\$ (591,323)</u></u></b>
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The accompanying notes are an integral part of these financial statements.

# INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

## Notes to Basic Financial Statements

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ingham County Land Bank Fast Track Authority (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The Authority’s accounting policies are described below.

#### A. Reporting Entity

The Authority was incorporated pursuant to the Michigan Land Bank Fast Track Act (Public Act 258) and an intergovernmental agreement between the Authority and the County of Ingham, Michigan (the “County”). The Authority was legally established on November 1, 2005 and began operations subsequent to January 1, 2006. The Authority is governed by a five-member board, the chair of which is the Ingham County Treasurer; the other four members are appointed by the Ingham County Board of Commissioners for overlapping four year terms. No other governmental entities are part of the Authority; however, the Authority is a discretely presented component unit of the County.

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Authority uses a single proprietary or enterprise fund to account for and report its financial activities, which are limited to *business-type activities* – i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

## Notes to Basic Financial Statements

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### C. Related Parties

The Authority owns a 1% interest in Shaws on Newton, LLC. The Ingham County Land Bank Fast Track Authority is a limited partner of Shaws on Newton, LLC. The 1% interest in Shaws on Newton, LLC is not considered material by management and therefore is not included in the accompanying financial statements. The partnership was created to restore the environmental and economic viability of contaminated and blighted properties in Meridian Township in Ingham County. As of December 31, 2010, the Authority's interest in the partnership totaled a negative \$138.

### D. Assets, Liabilities and Equity

**Cash and Cash Equivalents.** Cash and cash equivalents include amounts in demand deposit accounts. State statutes authorize the Authority to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements and banker acceptances.

**Receivables.** All receivables are reported at their gross value and are deemed to be fully collectible. The land contract receivables represent mortgages between the Authority and individual residents for property being held by the Land Bank.

**Property Inventory.** The Authority may acquire by gift, devise, transfer, exchange, foreclosure, purchase or otherwise real or personal property, or rights of interest in real or personal property, on terms and conditions and in a manner the Authority considers appropriate. The properties are inventoried at the amount paid. The costs to rehabilitate a particular property that materially add value as well as an allocated portion of administrative costs, maintenance and interest expense on debt incurred to acquire such properties are added to the cost of that property. Parcels that are donated to the Authority are valued at \$1 as they have minimal value until rehabilitated.

**Long-term Obligations.** Long-term debt is reported as a liability in the statement of net assets.

## II. DETAILED NOTES ON ALL FUNDS

### A. Deposits

At year-end, the carrying amount of the Authority's deposits was \$334,260; \$112,088 of the combined bank balance of \$362,088 was exposed to custodial credit risk because it was uninsured and uncollateralized

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

**Notes to Basic Financial Statements**

**B. Note Receivable**

On November 2, 2009, the Authority issued a promissory note to an unrelated company in the amount of \$24,000. The note is due in monthly installments of \$1,085 at an interest rate of 8% and is due on November 2, 2011. On December 23, 2010, the Authority issued another note to an unrelated company in the amount of \$360,000. The note is to be paid in two installments of \$180,000 on December 31, 2011 and December 31, 2012. The balance of these notes at December 31, 2010 was \$372,478 (\$192,478 current and \$180,000 noncurrent).

**C. Land Contracts Receivable**

At year-end, the Authority had 11 land contracts receivable due from unrelated parties. The payments on these contracts are due in various monthly installments ranging from \$48 to \$468 at interest rates from 6.00% to 8.00%. Land contracts receivable activity during the year is as follows (the current portion \$14,717):

Beginning balance	\$ 794,381
Additions	232,126
Reductions	<u>91,264</u>
Ending balance	<u><u>\$ 935,243</u></u>

**D. Long-term Debt**

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2010</u>	<u>Due Within One Year</u>
Lines of credit:					
Capital National Bank	\$ 374,166	\$ -	\$ 374,166	\$ -	\$ -
PNC Bank	<u>3,650,000</u>	<u>1,325,000</u>	<u>185,000</u>	<u>4,790,000</u>	<u>-</u>
<b>Total</b>	<u><b>\$ 4,024,166</b></u>	<u><b>\$ 1,325,000</b></u>	<u><b>\$ 559,166</b></u>	<u><b>\$ 4,790,000</b></u>	<u><b>\$ -</b></u>

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

**Notes to Basic Financial Statements**

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The Authority obtained one line of credit through Capital National Bank (\$1.0 million authorized) during the 2007 fiscal year and two lines of credit through PNC Bank (\$3.0 million authorized and \$2.0 million authorized) during the 2009 fiscal year. During 2010, the Authority paid the balance due on the remaining Capital National Bank line of credit. The outstanding lines mature on July 1, 2013 and carry variable interest rates based on the 3-month LIBOR rate; at December 31, 2010 the PNC Bank line interest rates was 1.24%.

**E. Risk Management**

The Authority, as a component unit of the County, is covered from losses as described in the note captioned "Risk Management" in the County's comprehensive annual financial report.

\* \* \* \* \*

# **SINGLE AUDIT**



**Ingham County Land Bank Fast Track Authority**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

<b>Federal/Pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Accrued Revenue Beginning of Year</b>	<b>Current Year Expenditures</b>	<b>Current Year Receipts</b>	<b>Accrued Revenue End of Year</b>
<b>U.S. Department of Housing and Urban Development</b>					
Passed-through Ingham County, Michigan - Neighborhood Stabilization Program	14.228	\$ 79,990	\$ 35,683	\$ 77,000	\$ 38,673
Passed-through the City of Lansing, Michigan: Neighborhood Stabilization Program	14.228	327,977	2,390,110	2,528,471	189,616
HOME Investment Partnership Program	14.239	-	206,568	206,542	26
Passed-through the Michigan State Housing Development Authority - ARRA - Neighborhood Stabilization Program	14.256	-	1,296,772	615,817	680,955
<b>Total Expenditures of Federal Awards</b>		<b>\$ 407,967</b>	<b>\$ 3,929,133</b>	<b>\$ 3,427,830</b>	<b>\$ 909,270</b>

See accompanying notes to schedule of expenditures of federal awards.

# INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

## Notes to Schedule Of Expenditures Of Federal Awards

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Ingham County Land Bank Fast Track Authority (the "Authority"). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The reporting entity of the Ingham County Land Bank Fast Track Authority is defined in Note I of the Authority's basic financial statements.

### 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting which is described in Note I of the Authority's basic financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

June 14, 2011

To the Chairperson and Members of the  
Ingham County Land Bank Fast Track Authority  
Lansing, Michigan

We have audited the financial statements of the *Ingham County Land Bank Fast Track Authority* (the "Authority"), a discretely presented component unit of Ingham County, Michigan, as of and for the year ended December 31, 2010, which collectively comprise the Authority's financial statements, and have issued our report thereon dated June 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large initial 'L'.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

June 14, 2011

To the Chairperson and Members of the  
Ingham County Land Bank Fast Track Authority  
Lansing, Michigan

**Compliance**

We have audited *Ingham County Land Bank Fast Track Authority's* (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Ingham County Land Bank Fast Track Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

### **Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style.

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

    Material weakness(es) identified?                     \_\_\_ yes    X no

    Significant deficiency(ies) identified?               \_\_\_ yes    X none reported

Noncompliance material to financial statements  
noted?   \_\_\_ yes    X no

**Federal Awards**

Internal Control over major programs:

    Material weakness(es) identified?                     \_\_\_ yes    X no

    Significant deficiency(ies) identified?               \_\_\_ yes    X none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section 510(a)?                               \_\_\_ yes    X no

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS (Concluded)**

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants
14.256	Neighborhood Stabilization Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?      \_\_\_\_\_ yes      X   no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV – PRIOR YEAR FINDINGS**

No matters were reported.

\* \* \* \* \*



7/25/11

Property Listings

<u>Current Listings</u>				<u>Pending Sales</u>				<u>OCOF Pending Closings</u>	
Address	Funding Type	Realtor	Price	Address	Funding Type	Realtor	Price	Address	
1525 Hull Court	NSP2	Olsen	\$54,000.00	5217 Renee	NSP1	Huggler	\$78,000.00	4321 Stillwell	
1421 Corbett	G/N	Huggler	\$101,000.00	2029 Hillcrest	Home	Villegas	\$65,000.00	818 N. Fairview	
1125 N. High	NSP2	Pyle	\$45,000.00	4133 Wainwright	NSP1	Villegas	\$78,000.00	115 E. Mason	
551 Emily	G/N	Sanborn	\$76,000.00	1245 Parkview	NSP2	Sanborn	\$44,000.00	3325 Holmes	
1417 Sheldon	NSP2	Huggler	\$63,000.00	4000 Stillwell	NSP1	Olsen	\$72,500.00	816 N. Walnut	
5234 Lark Circle	NSP1	Villegas	\$86,000.00	2105 Roberts	G/N	Pyle	\$56,000.00	3620 Wedgewood	
1017 S. Holmes	LB	Villegas	\$44,000.00	6155 Scotmar	LB	Villegas	\$47,000.00	1205 E. Main	
516 W. Grand River	NSP1	Huggler	\$92,000.00	6161 Scotmar	LB	Villegas	\$47,000.00	3401 Churchill	
732 W. Columbia	CtyNSP		\$124,000.00	140 E. Ash/Mason	Comm		\$149,000.00	1212 W. Ionia	
1201 Dakin	NSP1	Sanborn	\$44,500.00					1216 W. Ottawa	
1031 Queen	NSP1	Pyle	\$58,000.00						
5219 Hughes	NSP1	Pyle	\$100,000.00				\$636,500.00		
540 Paris	LB	Villegas	\$90,000.00						
4123 Balmoral	NSP1	Olsen	\$75,000.00						
812 Everett	NSP2	Huggler	\$64,000.00						
1838 Delevan	LB	Pyle	\$75,000.00						
1515 Hull	NSP2	Villegas	\$55,000.00						
734 Cawood	NSP2	Villegas	\$50,000.00						
533 Denver	LB	Pyle	\$66,500.00						
6127 Scotmar	LB	Villegas	\$50,000.00						
6159 Scotmar	LB	Villegas	\$45,000.00						
1722 Maisonette	LB	Villegas	\$50,000.00						
1724 Maisonette	LB	Villegas	\$47,000.00						
1726 Maisonette	LB	Villegas	\$45,000.00						
1730 Maisonette	LB	Villegas	\$47,000.00						
1740 Maisonette	LB	Villegas	\$45,000.00						
533 Denver	LB	Pyle	\$66,500.00						
1300 Keystone	Comm	CB Ellis	\$300,000.00						
			\$2,058,500.00						

MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH - BUREAU OF COMMERCIAL SERVICES		
Date Received		<b>(FOR BUREAU USE ONLY)</b> This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.
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Richard W. Pennings		
Address		
124 W. Allegan, Suite 700		
City	State	Zip Code
Lansing	MI	48933
EFFECTIVE DATE:		

Document will be returned to the name and address you enter above.  
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**ARTICLES OF INCORPORATION**

**OF**

**OCOF NONPROFIT HOUSING CORPORATION**

These Articles of Incorporation are signed by the incorporator for the purpose of forming a nonprofit Corporation pursuant to the provisions of Act 346, Public Acts of 1966, as amended (the "Act"), and Act 162 of Public Acts of 1982, as amended, as follows:

**ARTICLE I**

The name of the corporation is OCOF Nonprofit Housing Corporation. The acronym OCOF stands for "One Church One Family."

**ARTICLE II**

A. This Corporation is organized exclusively for charitable, religious, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code.

B. This Corporation is organized with the exclusive purpose of providing housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in the Act, as amended, and providing such social, recreational, commercial and communal facilities as may be necessary to serve and improve a residential area in which Michigan State Housing Development Authority (MSHDA) or federally-aided housing is located or planned to be located thereby enhancing the viability of the housing and, in general, carrying on any business in connection therewith and incidental thereto not inconsistent with 1966 PA 346, as amended, and

doing any and all things necessary, required and not expressly prohibited by the laws of the State of Michigan and not inconsistent with the requirements of a nonprofit charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding section of any future federal tax code.

C. Notwithstanding any other provision of these Articles, all the income and earnings of the Corporation shall be used exclusively for corporate purposes, and no part of the net income or net earnings of the Corporation shall inure to the benefit or profit of or be distributed or distributable to any director, officer, member, trustee, individual, firm, corporation, partnership, association or other private person except that the Corporation shall be authorized and empowered (subject to the requirements of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended) to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II.

D. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) in a political campaign on behalf of any candidate for public office.

E. Notwithstanding any other provisions of these Articles, the exclusive purpose of the Corporation shall be to carry on only those activities permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law).

F. Notwithstanding any other provision of these Articles, the Corporation shall in no manner be controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership or association seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transactions with the Corporation.

G. Notwithstanding any other provision of these Articles, the operations of the Corporation may be supervised by MSHDA or by another governmental body as MSHDA directs, and the Corporation shall enter into agreements with MSHDA or with the governmental body as MSHDA from time to time requires. Any such agreements shall provide for regulation by MSHDA or designated governmental body of the planning, development and management of any housing project undertaken by the Corporation and the disposition of the property and franchises of the Corporation.

H. No individual member or director of the Corporation or other private person shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity.



B. A volunteer director of the Corporation shall not be personally liable to the Corporation for monetary damages for a breach of fiduciary duty as a director except that a director remains liable:

- (1) For any breach of the director's duty of loyalty to the Corporation;
- (2) For any acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- (3) For any violation of Section 551(1) of Act No. 162 of Public Acts of 1982, as amended;
- (4) For any transaction from which the director derived an improper personal benefit;
- (5) For any act or omission occurring before the effective date of this Article as filed by the Michigan Department of Labor and Economic Growth for which the director was otherwise personally liable; and
- (6) For any act or omission that is grossly negligent.

The Corporation shall assume all liability to any person other than the Corporation for all acts or omissions of a volunteer director occurring on or after the date of this Article as filed by the Michigan Department of Labor and Economic Growth incurred in the good-faith performance of the volunteer director's duties; provided, however, that the Corporation shall not be considered to have assumed any liability to the extent such assumption is inconsistent with the status of the Corporation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation (the "Code").

If, after the adoption of this Article, the Michigan Nonprofit Corporation Act is hereafter amended to further eliminate or limit the liability of a director, then the liability of any director to the Corporation (in addition to the circumstances in which a director is not personally liable as set forth in the preceding paragraph) shall be limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended; except to the extent such limitation, elimination or assumption of liability is inconsistent with the status of the Corporation as an organization described in Section 501(c)(3) of the Code.

Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

C. The Corporation hereby assumes the liability for all acts or omissions of a non-director volunteer, as that term is defined in the Michigan Nonprofit Corporation Act, provided all of the following are met:

- (1) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.

- (2) The volunteer was acting in good faith.
- (3) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (4) The volunteer's conduct was not an intentional tort.
- (5) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.
- (6) The volunteer's act or omission occurred on or after the effective date of this Article as filed by the Michigan Department of Labor and Economic Growth.

#### **ARTICLE VII**

Upon dissolution of the Corporation, assets remaining after providing for debts and obligations of the Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, to that organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or comparable provisions of subsequent legislation) as may be designated by the Board of Directors or to the federal government, or to a state or local government, for public purposes. Any such assets not disposed of shall be disposed of by the circuit court of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

#### **ARTICLE VIII**

Notwithstanding any other provisions of these Articles, MSHDA shall have the power to appoint to the Board of Directors of the Corporation a number of new directors, which number shall be sufficient to constitute a majority of the board, notwithstanding any other provisions of these Articles of Incorporation or any other provisions of law, if:

A. The Corporation has received a loan or advance as provided for in the Act and MSHDA determines that the loan or advance is in jeopardy of not being repaid;

B. The Corporation has received a loan or advance as provided for in the Act and MSHDA determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed;

C. MSHDA determines that some part of the net income or net earnings of the Corporation is inuring to the benefit of any private individual, firm, corporation, partnership or association;

D. MSHDA determines that the Corporation is in some manner controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealings or transactions therewith;

E. MSHDA determines that the Corporation is in violation of the rules promulgated under Section 22 of the Act; or

F. MSHDA determines that the Corporation is in violation of any agreements entered into with MSHDA providing for regulation by MSHDA of the planning, development and management of any housing project undertaken by the Corporation and the disposition of the property and franchises of such Corporation.

#### ARTICLE IX

Notwithstanding any other provisions of these Articles of Incorporation, MSHDA may rely upon the continuing effect of these Articles of Incorporation in this form as approved by MSHDA, and the corporation agrees not to amend, alter or change the provisions of these Articles of Incorporation without the prior written consent of an Authorized Officer of MSHDA.

I, the incorporator, sign my name this 7 day of Aug 2008.

  
\_\_\_\_\_  
Mary Ruttan

**Name of person or organization remitting fees:**

Loomis, Ewert, Parsley, Davis & Gotting, P.C.

**Prepared by:**

Richard W. Pennings (517) 482-2400

BYLAWS  
OF  
OCOF NONPROFIT HOUSING CORPORATION  
(a Michigan nonprofit corporation)

ARTICLE I

OFFICES

Section 1. Location. The principal office of the Corporation shall be located in Lansing, Michigan. The Corporation may have such other offices, either within or without the State of Michigan, as the Board of Directors may designate or as the business of the Corporation may require.

Section 2. Business Office. The business office of the Corporation may be, but need not be, the same as the principal office. The address of the registered office may be changed from time to time by the Board of Directors. The home office of the registered agent of the Corporation may be identical to such registered office.

ARTICLE II

DIRECTORS

Section 1. Number. The number of Directors shall be five (5). Directors need not be residents of the State of Michigan. The first Board under these Bylaws shall consist of the following Directors with initial terms indicated following their names: Joan Jackson Johnson (3 year term – Mayor’s appointee), Bob Johnson (2 year term – Mayor’s appointee), Eric Schertzing (3 year term – Land Bank appointee), Mary Ruttan (2 year term – Land Bank appointee) and Sam Dunan (1 year term – Land Bank appointee). Thereafter, the Directors shall be determined as follows: Two (2) directors shall be appointed by the Mayor of the City of Lansing and three (3) directors shall be appointed by the Chairperson of the Ingham County Land Bank (“LB”) and confirmed by the board of directors of the LB. The Mayor’s initial appointments shall be for two and three year terms respectfully as specified by the Mayor and the Land Bank Chairperson appointments shall be for 1, 2 and 3 year terms as specified by the Chairperson. Thereafter all terms shall be three years in duration. The positions occupied by the two directors appointed by the Mayor of Lansing shall be designated as “City Board Positions” and the positions occupied by the three directors appointed by the Chairperson of the LB shall be designated “Land Bank Board Positions”. The Mayor and the Land Bank Chairperson shall be designated as the “Appointing Authority” for the City Board Positions and Land Bank Board Positions respectively. The Directors shall take office immediately upon appointment and confirmation (if necessary) and shall hold office for the terms for which they are appointed and until their successors are appointed.

Section 2. Vacancy. Any vacancy occurring in the Board of Directors may be filled by the Appointing Authority for the respective board position. A directorship appointment



to fill a vacancy during a term may be filled by the respective Appointing Authority for a term of office continuing only until the expiration of that term.

Section 3. Management of Business Affairs. The business affairs of the Corporation shall be managed by, or under the direction of, its Board except as otherwise provided by statute or in the Articles of Incorporation.

Section 4. Books. The Board of Directors may keep the books of the Corporation at such place or places as they may from time to time determine, within or without the State of Michigan.

Section 5. Compensation. There shall be no remuneration to the Board for carrying out the duties and responsibilities of members of the Board. Reimbursement for incurred expenses may be authorized by the Board.

### ARTICLE III

#### MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Location. Regular or special meetings of the Board of Directors may be held either within or without the State of Michigan at such time and place as may be fixed from time to time by the Board of Directors.

Section 2. Time. The first meeting of the newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Board of Directors at the annual meeting or at a special meeting called for the election of a new Board of Directors; and no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the Directors.

Section 3. Notice - Regular Meetings. Regular meetings of the Board of Directors may be held upon such notice or without notice and at such time and at such place as shall from time to time be determined by the Board.

Section 4. Notice - Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson of the Board on three (3) days' notice to each Director, either personally or by mail or by email; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a simple majority of the voting Directors or such other number of Directors as may be determined from time to time.

Section 5. Attendance. A Director's attendance at or participation in a meeting constitutes a waiver of notice of the meeting, unless the Director at the beginning of the meeting, or upon his or her arrival, objects to the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting. Neither the business to be transacted at nor the purpose of a regular or special meeting need be specified in the notice or waiver of notice of the meeting.

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Section 6. Attendance Via Telephone Conference Call. A Director may attend and participate in any meeting of the Directors or any joint election meeting of the Members and Directors by a conference telephone or similar communications equipment by which all persons participating in the meeting may communicate with each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation in a meeting constitutes presence in person at the meeting.

Section 7. Quorum. A majority of the voting members of the Board then in office constitutes a quorum for transaction of business unless the Articles of Incorporation provide for a larger or smaller number. The vote of the majority of Board members present at a meeting at which a quorum is present constitutes the action of the Board unless the vote of a larger number is required by statute, the Articles of Incorporation or these By-laws. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Written Consent to Action. Unless otherwise provided by the Articles of Incorporation, action required or permitted to be taken pursuant to authorization voted at a meeting of the Board may be taken without a meeting if, before or after the action, all members of the Board then in office consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board. The consent has the same effect as a vote of the Board for all purposes.

#### ARTICLE IV

##### NOTICES

Section 1. Service. When a notice or communication is required or permitted by these By-laws or statute to be given by mail, it shall be mailed, except as otherwise provided herein or in said statute, to the person to whom it is directed at the address designated by him/her for that purpose or, if none is designated, at his/her last known address. The notice or communication is given when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States postal service. The mailing shall be registered, certified or other first-class mail except where otherwise provided by statute.

Section 2. Waiver. When, under statutory requirements or the Articles of Incorporation or these By-laws or by the terms of an agreement or instrument, the Corporation or the Board or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken, submits a signed waiver of such requirements.

#### ARTICLE V

##### OFFICERS

Section 1. Officers. The officers of the Corporation shall be elected by the Board of Directors and shall be a president, secretary, treasurer and/or such other officers as may be

determined by the Board.

Section 2. Election. The Board of Directors at its first meeting shall elect a nominee for president, and shall elect a secretary, treasurer, and such other officers determined by the Board, none of whom need be a member of the Board. Any two offices may be held by the same person.

Section 3. Additional Officers. The Board of Directors may appoint such other officers, assistant officers, employees and agents as it deems necessary and prescribe their powers and duties.

Section 4. Term. An officer elected or appointed shall hold office for the term for which he/she is elected or appointed and until his/her successor is elected or appointed and qualified or until his/her resignation or removal. An officer elected or appointed by the Board may be removed by the Board with or without cause. Elections shall be held at the annual meeting.

#### THE PRESIDENT

Section 5. Duties. The President shall be the chief executive officer of the Corporation; shall be the Chairperson of the Board of Directors; shall preside at all meetings of the Board of Directors; shall have general and active management of the business of the Corporation; shall in consultation with the other officers of the Corporation develop an operating and capital expenditure budget for the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. Execution of Documents. The President shall execute bonds, mortgages and other contracts except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

#### THE VICE-PRESIDENT

Section 7. Duties. The Vice-President, if any, or, if there shall be more than one, the Vice-Presidents in the order determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe. The Vice-President, in his/her capacity as Assistant Chairperson of the Board of Directors shall act in that capacity in the absence of the Chairperson.

#### THE SECRETARY

Section 8. Duties. The Secretary shall attend all meetings of the Board of Directors and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary

shall have custody of the corporate seal of the Corporation, if one is authorized, and the Secretary or an Assistant Secretary shall have authority to affix the same to any instrument requiring it and, when so affixed, it may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other Officer to affix the seal of the Corporation and to attest the affixing by his/her signature.

Section 9. Assistant. The Assistant Secretary, if there be one or, if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, shall in the absence or disability of the Secretary perform the duties and exercise the powers of the Secretary and shall perform other duties and have such other powers as the Board of Directors may from time to time prescribe.

### THE TREASURER

Section 10. Duties. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 11. Accounting. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his/her transactions as Treasurer and of the financial condition of the Corporation.

Section 12. Bond. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Corporation.

Section 13. Assistant. The Assistant Treasurer, if there be one, or, if there be more than one, the Assistant Treasurers in the order determined by the Board of Directors, shall in the absence or disability of the Treasurer perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## ARTICLE VI

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Third-Party Suits. To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article VI, the Corporation shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or

investigative, and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director, officer, employee, nondirector volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses (including attorneys' fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and the person submits a written claim for indemnification as hereinafter provided and, with respect to a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful and the person submits a written claim for indemnification as hereinafter provided. The termination of an action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to a criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

The right to indemnification conferred in this section shall be a contract right.

Section 2. Suits By or in the Right of the Corporation. To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article VI, the Corporation shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer, employee, nondirector volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and the person provides a written claim for indemnification as hereinafter provided. Indemnification shall not be made, however, for a claim, issue, or matter in which the person shall have been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

The right to indemnification conferred in this section shall be a contract right.

Section 3. Indemnification Against Expenses. To the extent that a Director, officer, employee, nondirector volunteer, or agent of the Corporation has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Section 1 or 2 of this Article VI, or in defense of a claim, issue or matter in the action, suit, or proceeding, he or she shall be indemnified against actual and reasonable expenses, including attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding and in any action, suit, or proceeding brought

to enforce the mandatory indemnification provided in this subsection.

Section 4. Determination that Indemnification is Proper. Any indemnification under Section 1 or 2 of this Article VI, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections 1 and 2 and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. Such determination shall be made within 30 days after a written claim for indemnification has been received by the Corporation and shall be made in any of the following ways: (1) by a majority vote of a quorum of the Board consisting of Directors who were not parties or threatened to be made parties to the action, suit, or proceeding; or (2) if such a quorum is not obtainable, then by a majority vote of a committee of Directors duly designated by the Board and consisting solely of two (2) or more Directors not at the time parties or threatened to be made parties to the action, suit, or proceeding; or (3) by independent legal counsel in a written opinion, which counsel has been selected in one of the following ways: (a) by the Board or its committee in the manner described in Subsection 4(1) or 4(2) of this Article VI, or (b) if a quorum of the Board cannot be obtained under Subsection 4(1) and a committee cannot be designated under Subsection 4(2) of this Article VI, by the Board; or (4) by all independent Directors, if there be any, who are not parties or threatened to be made parties to the action, suit, or proceeding.

If a person is entitled to indemnification under Section 1 or 2 of this Article VI for a portion but not for the total amount of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 5. Reimbursement of Expenses. Reasonable expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 and 2 of this Article VI may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding if all of the following apply: (1) the person furnishes the Corporation a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VI; (2) the person furnishes the Corporation a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet said standard of conduct; and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under the Michigan Nonprofit Corporation Act, such determination to be made as set forth in Section 4 of this Article VI. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 6. Right of Indemnitee to Bring Suit. If a claim for indemnification is not paid in full by the Corporation within forty-five (45) days after a written claim has been received by the Corporation, the officer, Director, employee, nondirector volunteer, or agent who submitted the claim (hereinafter the "Indemnitee") may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit or in a suit brought by the Corporation to recover advances, the Indemnitee shall be entitled to be paid also the reasonable expenses incurred in prosecuting or defending such claim.

In any action brought by the Indemnitee to enforce a right hereunder (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) it shall be a defense that the Indemnitee has not met the applicable standard of conduct set forth in Section 1 or 2, and it shall also be a defense that the expenses incurred or amounts paid in settlement were unreasonable. Furthermore, in any action brought by the Corporation to recover advances, the Corporation shall be entitled to recover such advances if the Indemnitee has not met the applicable standard of conduct set forth in Section 1 or 2.

Neither the failure of the Corporation (including its Board of Directors, or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the Indemnitee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 or 2, nor an actual determination by the Corporation (including its Board of Directors, or independent legal counsel) that the Indemnitee has not met such applicable standard of conduct or that expenses incurred or amounts paid in settlement were unreasonable, shall be a defense to an action brought by the Indemnitee or create a presumption that the Indemnitee has not met the applicable standard of conduct. In any action brought by the Indemnitee to enforce a right hereunder or by the Corporation to recover payments by the Corporation of advances, the burden of proof shall be on the Corporation.

Section 7. By-laws Not Inclusive. The indemnification or advancement of expenses provided under Sections 1 through 5 of this Article VI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Corporation's Articles of Incorporation, By-laws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Sections 1 through 5 continues as to a person who ceases to be a Director, officer, partner, trustee, employee, nondirector volunteer, or agent, and shall inure to the benefit of the heirs, executors, and administrators of the person.

Section 8. Liability Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, nondirector volunteer, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify him or her against such liability under the Michigan Nonprofit Corporation Act or Sections 1 through 6 of this Article VI.

Section 9. Definitions. As used herein, "Corporation" includes all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, or business corporation so that a person who is or was a Director, officer, employee, nondirector volunteer, or agent of the constituent corporation or is or was serving at the request of the constituent corporation as a Director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise whether for profit or not for profit shall stand in the same position under

the provisions of this section with respect to the resulting or surviving corporation or business corporation as the person would if he or she had served the resulting or surviving corporation or business corporation in the same capacity.

As used herein, "other enterprise" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Corporation" shall include any service as a Director or officer of the Corporation which imposes duties on, or involves services by, the Director or officer with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its shareholders" as referred to in Sections 1 and 2.

## ARTICLE VII

### STATEMENTS

Section 1. Directors' Annual Statement. At least once in each year the Board of Directors shall cause a financial report of the Corporation for the preceding fiscal year to be made and distributed to each Director thereof within four months after the end of the fiscal year. The report shall include the Corporation's statement of income, its year-end balance sheet and, if prepared by the Corporation, its statement of source and application of funds and such other information as may be required by statute.

Section 2. Financial Statement to Directors. Upon written request of a Director, the Corporation shall mail to the Director its balance sheet as at the end of the preceding fiscal year; its statement of income for such fiscal year; and, if prepared by the Corporation, its statement of source and application of funds for such fiscal year.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

Section 1. Contracts. The Board of Directors may authorize any Director or officer, agent or agents, to enter into any contract or execute or deliver any instrument in the name of or on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages, and instruments of assignment or pledge made by the Corporation shall be executed in the name of the Corporation by the president, the secretary, the treasurer or their designee.

Section 2. Loans. No indebtedness or borrowed money shall be contracted on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts, or other orders for the



payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Director or Directors, agent or agents of the Corporation as determined by the Directors.

Section 4. Fiscal Year. The fiscal year of the Corporation shall correspond to each calendar year, that is, from January 1 through December 31 of each year.

## ARTICLE IX

### AMENDMENTS

The Bylaws of the Corporation may be amended by a majority vote of the Board of Directors at any regular or special meeting of the Board, provided that each member of the Board shall have been notified in writing of the proposed amendment at least five (5) days prior to the meeting at which the proposed amendment is presented for approval. No amendment of these Bylaws that is inconsistent with the Articles of Incorporation shall become effective prior to an amendment that may be required in the Articles of Incorporation.

## ARTICLE X

### DISSOLUTION

Section 1. Authorization. The dissolution of the Corporation must be authorized by the adoption of a resolution to dissolve by a vote of two thirds of the Directors present in person or by proxy at a meeting called for that purpose.

Section 2. Upon the dissolution of the Corporation, the assets shall be disposed of as provided in the Articles of Incorporation.

Section 3. Alternate Dissolution. If there is not a quorum at two consecutive annual meetings, or if two consecutive annual meetings are not conducted, the secretary of the Corporation shall call for dissolution of the Corporation under the terms and conditions described in this Article X. A resolution shall be mailed to all of the Board members. The dissolution shall be authorized if two thirds of the responding Board members approve the resolution.

## ARTICLE XI

The Corporation and the Board, by their actions, shall not discriminate against any person or organization because of religion, race, color, national origin, age, sex, height, weight, marital status or disability.

## **PROP Statistics - 7/26/11**

Initial Inquiries (1st 10 days)	42
Total Phone Inquiries	64
Web Inquiries	13
Houses Shown (appointments)	21
Applications Distributed	26
Applications In	5

Roughly a dozen people have expressed strong interest in the program.

One contact learned of the Lank Bank through PROP and has put in an offer for 5217 Renee.

Applications in for: MLK (2); Delbrook (2); Kenwood

Check Register

03:24 pm

CHECK DATE FROM 07/01/2011 - 07/31/2011

Check Date	Bank/Check #	Name	Amount
7/8/2011	GEN 6247	CONSUMERS ENERGY	109.86
7/8/2011	GEN 6248	BOARD OF WATER & LIGHT	720.79
7/8/2011	GEN 6249	BOARD OF WATER & LIGHT	327.57
7/8/2011	GEN 6250	BOARD OF WATER & LIGHT	418.44
7/8/2011	GEN 6251	BOARD OF WATER & LIGHT	627.35
7/8/2011	GEN 6252	EDEN GLEN CONDO ASSOCIATION	7,105.00
7/8/2011	GEN 6253	PURCHASE POWER	95.78
7/8/2011	GEN 6254	COHL, STOKER & TOSKEY, P.C.	1,549.63
7/8/2011	GEN 6255	ALLEN NEIGHBORHOOD CENTER	730.50
7/8/2011	GEN 6256	RIZZI DESIGNS	2,019.90
7/8/2011	GEN 6257	HASSELBRING CLARK CO	133.06
7/8/2011	GEN 6258	DBI BUSINESS INTERIORS	920.28
7/8/2011	GEN 6259	KEBS, INC.	1,200.00
7/8/2011	GEN 6260	PAUL HICKNER	400.00
7/8/2011	GEN 6261	OETZEL-HARTMAN GROUP	3,100.00
7/8/2011	GEN 6262	MOLENAAR & ASSOCIATES, INC	900.00
7/8/2011	GEN 6263	ORACLE RESIDENTIAL SERVICES LLC	4,300.00
7/8/2011	GEN 6264	ORACLE RESIDENTIAL SERVICES LLC	825.00
7/8/2011	GEN 6265	WOODWORKS & DESIGN CO.	239.00
7/8/2011	GEN 6266	STANDARD ELECTRIC COMPANY	6,708.62
7/8/2011	GEN 6267	THE SHERWIN-WILLIAMS CO.	542.69
7/8/2011	GEN 6268	MICHIGAN PLUMBING	250.00
7/8/2011	GEN 6269	TRITERRA	75.00
7/8/2011	GEN 6270	HOOPER CONSULTING GROUP, LLC	13,800.00
7/8/2011	GEN 6271	ASBESTOS ABATEMENT INCORPORATEI	4,485.00
7/8/2011	GEN 6272	THERMAL INSPECTION SERVICE LLC	600.00
7/8/2011	GEN 6273	ETC	1,885.00
7/8/2011	GEN 6274	AYERS BASEMENT SYSTEMS, LLC	4,716.00
7/8/2011	GEN 6275	SC SERVICES ENVIRONMENTAL	26,577.00
7/8/2011	GEN 6276	DAKOTA'S TREE SERVICE	1,250.00
7/8/2011	GEN 6277	ASSOCIATED GENERAL CONTRACTORS	15,550.00
7/8/2011	GEN 6278	WISEMAN TREE EXPERTS	285.00
7/8/2011	GEN 6279	MARES FLOOR REFINISHING	1,340.00
7/8/2011	GEN 6280	TURN KEY HOME IMPROVEMENT	36,609.00
7/8/2011	GEN 6281	DICK CORTRIGHT	80.00
7/8/2011	GEN 6282	NANCY WOOD	50.00
7/8/2011	GEN 6283	CENTRAL MICHIGAN TURF & TREE SERV	250.00
7/8/2011	GEN 6284	GREG GEORGE, BUILDER	7,595.00
7/8/2011	GEN 6285	HOLT ELECTRIC & SON	1,000.00
7/8/2011	GEN 6286	KEHREN CONSTRUCTION, LLC	4,784.20
7/8/2011	GEN 6287	CITY PULSE	74.16
7/8/2011	GEN 6288	HOME DEPOT CREDIT SERVICES	1,174.04
7/8/2011	GEN 6289	EUGENE TOWNSEND, BUILDER	15,972.00
7/8/2011	GEN 6290	LJ TRUMBLE BUILDERS	66,096.00
7/8/2011	GEN 6291	NORSHORE BUILDING INC	19,251.00
7/8/2011	GEN 6292	MICHIGAN BUILDING AND RESTORATION	51,150.00

Check Date	Bank/Check #	Name	Amount	Page 2
7/8/2011	GEN 6293	HOMEVIEW IMPROVEMENTS	16,546.50	
7/8/2011	GEN 6294	LAKE STATE LAWN-LANDSCAPING & SN	3,000.00	
7/8/2011	GEN 6295	LAWN KINGS DISCOUNT LAWN & SNOW	1,732.50	
7/8/2011	GEN 6296	EARTH TONES LANDSCAPING INC	6,815.50	
7/8/2011	GEN 6297	SCHUMACHER'S FOUR SEASONS	0.00	
7/8/2011	GEN 6298	INGHAM COUNTY HEALTH DEPARTMENT	1,450.00	
7/8/2011	GEN 6299	DENNIS GRAHAM	205.53	
7/8/2011	GEN 6300	ERIC SCHERTZING	873.19	
7/8/2011	GEN 6301	KARL FOFANA	404.61	
7/8/2011	GEN 6302	MELISSA LOTT	375.00	
7/8/2011	GEN 6303	AMO INSPECTIONS & APPRAISALS	1,680.00	
7/14/2011	GEN 6304	CAPITAL FUND TITLE SERVICES, LLC	62.84	
7/21/2011	GEN 6305	VOID	0.00	
7/21/2011	GEN 6306	CONSUMERS ENERGY	267.64	
7/21/2011	GEN 6307	CONSUMERS ENERGY	340.09	
7/21/2011	GEN 6308	CONSUMERS ENERGY	186.98	
7/21/2011	GEN 6309	CONSUMERS ENERGY	187.34	
7/21/2011	GEN 6310	CONSUMERS ENERGY	247.41	
7/21/2011	GEN 6311	BOARD OF WATER & LIGHT	998.18	
7/21/2011	GEN 6312	BOARD OF WATER & LIGHT	390.08	
7/21/2011	GEN 6313	BOARD OF WATER & LIGHT	446.70	
7/21/2011	GEN 6314	BOARD OF WATER & LIGHT	252.95	
7/21/2011	GEN 6315	TOSHIBA FINANCIAL SERVICES	197.86	
7/21/2011	GEN 6316	SPRINT	249.62	
7/21/2011	GEN 6317	COMCAST	59.95	
7/21/2011	GEN 6318	AT & T	222.00	
7/21/2011	GEN 6319	GANNETT MICHIGAN NEWSPAPERS	503.80	
7/21/2011	GEN 6320	SEARS COMMERCIAL ONE	6,318.00	
7/21/2011	GEN 6321	HSBC BUSINESS SOLUTIONS	2,379.86	
7/21/2011	GEN 6322	CITY PULSE	92.70	
7/21/2011	GEN 6323	RKH INVESTMENTS, INC	17,960.77	
7/21/2011	GEN 6324	TRITERRA	300.00	
7/21/2011	GEN 6325	THERMAL INSPECTION SERVICE LLC	2,400.00	
7/21/2011	GEN 6326	ORACLE RESIDENTIAL SERVICES LLC	600.00	
7/21/2011	GEN 6327	MOLENAAR & ASSOCIATES, INC	1,800.00	
7/21/2011	GEN 6328	KEBS, INC.	400.00	
7/21/2011	GEN 6329	ETC	245.00	
7/21/2011	GEN 6330	ENVIRONMENTAL COSULTING & TRAININ	2,240.00	
7/21/2011	GEN 6331	GLASS BLOCK AND MORE	632.00	
7/21/2011	GEN 6332	WES STEFFEN PLUMBING	2,803.00	
7/21/2011	GEN 6333	HOLT ELECTRIC & SON	915.00	
7/21/2011	GEN 6334	DON PLANTZ CONCRETE	700.00	
7/21/2011	GEN 6335	EUGENE TOWNSEND, BUILDER	8,519.33	
7/21/2011	GEN 6336	CHARLES L THERRIAN BUILDER	4,660.00	
7/21/2011	GEN 6337	FIRST CONTRACTING INC	54,664.00	
7/21/2011	GEN 6338	GREG GEORGE, BUILDER	940.00	
7/21/2011	GEN 6339	PROGRESSIVE REMODELING	31,850.00	
7/21/2011	GEN 6340	TURN KEY HOME IMPROVEMENT	28,605.00	
7/21/2011	GEN 6341	NORSHORE BUILDING INC	13,312.00	
7/21/2011	GEN 6342	LJ TRUMBLE BUILDERS	38,730.00	

Check Date	Bank/Check #	Name	Amount
7/21/2011	GEN 6343	LAWN KINGS DISCOUNT LAWN & SNOW	1,767.50
7/21/2011	GEN 6344	AMERICAN RENTALS INC.	88.00
7/21/2011	GEN 6345	VET'S ACE HARDWARE	189.66
7/21/2011	GEN 6346	HAZEN LUMBER, INC.	796.10
7/21/2011	GEN 6347	MICHIGAN BUILDING AND RESTORATION	40,600.00
7/21/2011	GEN 6348	MID-MICHIGAN MECHANICAL & CONSTRI	19,050.00
7/21/2011	GEN 6349	STANDARD ELECTRIC COMPANY	288.29
7/21/2011	GEN 6350	JOSEPH E ROBIADEK	295.80
7/21/2011	GEN 6351	DENNIS GRAHAM	234.81
7/21/2011	GEN 6352	INTEGRITY LAWN MAINTENANCE	2,200.00
7/21/2011	GEN 6353	HOME DEPOT CREDIT SERVICES	2,099.88
7/21/2011	GEN 6354	MARK'S LOCK SHOP INC	99.00
7/21/2011	GEN 6355	MELISSA LOTT	375.00
7/21/2011	GEN 6356	LINDA SCHONBERG	55.08
7/21/2011	GEN 6357	BRENT RACE	54.95
7/21/2011	GEN 6358	MICHIGAN ASSOCIATION OF LAND BANK	500.00
7/21/2011	GEN 6359	EDGEWOOD VILLAGE COMMUNITY OUTF	50.00
7/21/2011	GEN 6360	GREATER LANSING HOUSING COALITIO	2,256.00
7/21/2011	GEN 6361	PAM BLAIR	120.00
7/21/2011	GEN 6362	DBI BUSINESS INTERIORS	58.97
7/21/2011	GEN 6363	H.C. BERGER COMPANY	173.85
7/21/2011	GEN 6364	EARTH TONES LANDSCAPING INC	10,200.00
7/21/2011	GEN 6365	AMO INSPECTIONS & APPRAISALS	3,285.00
7/21/2011	GEN 6366	SCHUMACHER'S FOUR SEASONS	6,990.00
7/21/2011	GEN 6367	BOARD OF WATER & LIGHT	36.36
7/21/2011	GEN 6368	VOID	0.00
7/21/2011	GEN 6369	VOID	0.00

Total

658,499.05

**INGHAM COUNTY LAND BANK AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**STATEMENT OF REVENUES, EXPENSES & CHANGE IN NET ASSETS**  
**JUNE 30, 2011**

Assets	
Cash	\$ (207,879.25)
Payroll Cash	17,896.39
Accounts Receivable	11,771.85
Land Contract Receivable	1,384,033.14
Land Contract Interest Receivable	48,261.46
Brownfield Receivable	368.09
Land Contract Escrow	20,942.42
Acquisition Account Earnest Deposit	5,000.00
Notes Receivable	365,320.38
Specific Tax Receivable	3,414.87
OCOF Nonprofit Receivable	6,228.82
Ingham County Receivable	1,284.50
NSP1 Lansing City Receivable	6,765.33
NSP County Receivable	35,298.32
MSHDA Receivable	00.00
Youth Build Receivable	777.00
Inventory	<u>3,647,956.81</u>
Total Assets	\$5,347,440.13
Liabilities	
Notes Payable	
PNC Bank	3,140,000.00
Due to Ingham County	295,220.50
Due State of Michigan-Escheats	442.35
Rental Deposit	8,826.25
Land Contract Escrow	<u>10,682.14</u>
Total Liabilities	\$3,455,171.24
Retained Earnings	<u>\$1,705,078.08</u>
Total Net Assets	<u>\$ 187,190.81</u>

STATE OF REVENUES, EXPENSES & CHANGE IN NET ASSETS  
JUNE 30, 2011

Revenues

Property Sales	1,108,622.66
Brownfield Revenue	1,451,115.42
NSP1 Lansing City Revenue	515,243.86
NSP2 MSHDA Adm. Fee Revenue	26,536.99
NSP2 MSHDA Revenue	1,378,513.00
NSP County Revenue	4,124.53
Garden Project Revenue	40.00
Revenue Transfer	250,000.00
Home Revenue	72,799.13
Donations	20.00
Interest Income	86,239.79
Rental Income	11,150.00
Development Fee Income	111,089.67
Miscellaneous Income	151.00
Late Fee Revenue	<u>347.80</u>
 Total Revenue	 \$5,015,993.85

Operating Expenses

Cost of Land Sold	2,400,718.08
Supplies	7,774.46
Audit Fee	8,500.00
Communication	2,305.70
Security	278.68
Memberships	515.00
Equipment-Small Purchase	1,497.82
Postage	852.85
Recording Fees	10.00
Media	11,991.77
Interior Staging	7,107.25
Renovation	8,468.87
Consultants	13,097.45
Bank Fees	260.84
Legal	4,405.85
Contractual Service	35,801.80
Software	600.39
Bicycle Share Program	3,181.13
Travel	5,067.34
Professional Training/Conference	890.00
Job Creation	375.00
Payroll Reimbursement	54,397.16

Operating Expense Continued

Americorp Member	4,372.50
Employer Tax Liability	2,916.35
Payroll Service	252.55
Workers Compensation	1,956.66
Utilities	1,128.57
Building Maintenance	4,545.33
Lawn/Snow	930.00
Interest Expense	35,469.32
Land Contract Default	201,871.74
Garden Project	4,712.21
HOME Lansing City	2,827.20
NSP1 Lansing City	514,001.84
NSP Ingham County	3,268.99
NSP II	<u>1,482,452.34</u>
Total Expense	\$ 4,828,803.04
Total Net Assets, end of period	<u>\$ 187,190.81</u>