

Approved May 1, 2006

THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY
MONDAY, April 3, 2006
Minutes

Members Present: Dale Copedge, Debbie DeLeon, Eric Schertzing, Andy Schor

Members Absent: Hertel, Jr.

Others Present: Timothy Perrone, Mary Ruttan, Dorothy Boone

The meeting was called to order by Chair Schertzing at 5:30 p.m. in the Personnel Conference Room of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of Minutes

Minutes of the March 6, 2006 Meeting were reviewed.

MOVED BY DELEON SUPPORTED BY COPEDEGE TO APPROVE THE MINUTES AS PRESENTED.

Aye: Copedge, DeLeon, Schertzing, Schor Nay: none. Absent: Hertel, Jr.

Additions to the Agenda - None

Limited Public Comment – None

1. Foreclosure list (preliminary) – hand out

Some discussion of what disposition process will be for foreclosed property. Priority on owner occupied homesteads.

2. Borrowing

- a. Bond counsel services letter from Dickinson Wright for the loan was provided.
- b. Borrowing Resolution

Chair explained the benefits of this revolving borrowing of \$1,000,000 for two years with a maturity in 5 years, versus the earlier resolution for \$500,000 for one year.

**RESOLUTION TO AUTHORIZE BORROWING AND ISSUANCE OF NOTE BY THE
INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY**

RESOLUTION #06-03

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Authority") is in need of funds in an amount not to exceed \$1,000,000 to pay the costs of acquiring, developing, improving, using, assembling and disposing of tax-foreclosed and other distressed property, including necessary administrative and operational costs related thereto ("Project Costs") in accordance with the Land Bank Fast Tract Act; Act 258, Public Acts of Michigan, 2003 ("Act 258") to foster the development of that property and promote economic growth; and

WHEREAS, the Authority is authorized to borrow money and issue its note for such purpose pursuant to section 24 of Act 258; and

WHEREAS, the Authority has received a proposal from Citizens Bank (the "Bank") to purchase the Authority's note as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED by the Board, as follows:

AUTHORIZATION OF NOTE - PURPOSE. A note in the principal sum of One Million Dollars (\$1,000,000) (the "Note") shall be issued and sold pursuant to the provisions of Act 258 for the purpose of paying Project Costs as authorized by the provisions of Act 258. The Board hereby declares the necessity of the Note for the aforesated purpose.

NOTE DETAILS. The Note shall be issued in the form of a single note, designated Note No. 1, in the principal amount of \$1,000,000 that shall be designated "Series 2006 Note". The Note shall be dated as of the date of its delivery to the Bank, shall bear interest on the outstanding principal amount thereof for each day as shown on the registration grid of the Note from its date of delivery, payable on the first business day of each February, May, August and November commencing on August 1, 2006. Interest on the Note will be payable at a variable rate reset on the first business day of each February, May, August and November, commencing on August 1, 2006, until payment in full of the Note. The variable rate shall be the rate that is equal to the sum of (i) 1.125%, plus (ii) the per annum rate of interest at which deposits in U. S. Dollars for a three month period are offered to prime banks in the London interbank market (the LIBOR Rate), as published in the *Wall Street Journal* on the reset day. The Note shall be sold to the Bank at a price equal to par. The principal of the Note shall be disbursed to the Authority in installments as shown on the registration grid of the Note; provided, however, that (i) no more than one disbursement of principal of the Note shall be made to the Authority within any thirty (30) day period, (ii)

no principal of the Note shall be disbursed to the Authority after May 1, 2008, and (iii) the outstanding principal balance of the Note shall not exceed \$1,000,000. The principal of and interest on the Note shall be due in full on May 1, 2011.

PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Note shall be payable in lawful money of the United States. Principal and interest shall be paid when due by check or draft that shall be mailed to the registered owner at the address shown on the registration grid of the Note. In the event that the Bank is the registered owner, such payment also may be made by wire transfer or internal accounting transfer. The Bank shall be the note registrar and paying agent for the Note.

PREPAYMENT OF PRINCIPAL. Principal installments of the Note may be prepaid by the Authority prior to maturity in whole or in part without premium on the first business day of each month upon the terms and conditions set forth in the form of the Note contained in section 7 hereof. Principal installments that have been prepaid shall be noted on registration grid of the Note and such installments no longer shall be considered outstanding; provided, however, that principal installments of the Note that have been prepaid may be disbursed again to the Authority within the limitations set forth in section 2 hereof.

SALE OF NOTE-FINANCED FACILITIES. The Authority hereby covenants and agrees that it shall use the proceeds of the sale of each facility financed by proceeds of the Note to make optional redemptions of principal installments of the Note as soon as practicable after the receipt of such sale proceeds in an amount at least equal to the amount of Note proceeds expended on such facility.

EXECUTION, AUTHENTICATION AND DELIVERY OF NOTE. The Note shall be executed in the name of the Authority by the manual signatures of the Chairperson and the Secretary. After the Note has been executed, it shall be delivered by the Chairperson or the Treasurer to the Bank upon receipt of the first principal installment of the Note from the Bank. The first and each subsequent principal payment received by the Authority from the Bank shall be noted on the registration grid of the Note.

FORM OF NOTE. The Note shall be in substantially the following form:

No. 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF INGHAM

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

SERIES 2006 NOTE

The Ingham County Land Bank Fast Track Authority, County of Ingham, Michigan (the "Authority"), acknowledges itself indebted to, and for value received, hereby promises to pay to Citizens Bank (the "Bank") the sum of \$1,000,000, or such lesser amount as shown on the Registration Grid of this note, payable on May 1, 2011, together with interest on such principal sum from time to time outstanding for each day from the date each principal payment is received by the Authority as set forth on the Registration Grid. Principal and interest shall be payable in lawful money of the United States of America and shall be paid by check or draft mailed to the Registered Owner at the address shown on the Registration Grid. In the event that the Bank is the Registered Owner, such payment may be made by wire transfer or internal accounting transfer. Principal and interest are payable in lawful money of the United States of America.

Interest on this note is payable at the rate of ____% per annum from the date of issuance of this note through and including July 31, 2006. Thereafter, interest on this note will be payable at a Variable Rate (as described below) reset on the first Business Day (as hereinafter defined) of each February, May, August and November until payment in full of this note. The Variable Rate shall be determined on each reset day and shall be the rate that is equal to the sum of (i) 1.125%, plus (ii) the per annum rate of interest at which deposits in U. S. Dollars for a three month period are offered to prime banks in the London interbank market (the LIBOR rate), as published in the *Wall Street Journal* on such day.

As used herein, "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which the Bank is open for business.

Interest hereon shall be calculated on the basis of the actual number of days elapsed and a 365/366-day year, as the case may be.

The principal of this note shall be disbursed to the Authority in installments as shown on the Registration Grid; provided, however, that (i) no more than one disbursement shall be made within any thirty (30) day period, (ii) no principal shall be disbursed after May 1, 2008, and (iii) the outstanding principal balance of the Note shall not exceed \$1,000,000.

This note is issued by the Authority under and pursuant to and in full conformity with the Constitution and statutes of Michigan (especially Section 24 of Act No. 258, Public Acts of Michigan, 2003) and a note authorizing resolution (the "Resolution") of the Board of Directors of the Authority to pay the costs of acquiring, developing, improving, using, assembling and disposing of tax-foreclosed and other distressed property, including necessary administrative and operational costs related thereto. This note is issued in anticipation of and is payable from and secured by the net revenues of the Authority (the "Net Revenues"). The Resolution has created a

lien on the Net Revenues that shall be a statutory lien as provided in the Resolution. As additional security, the County of Ingham (the "County") has pledged its full faith and credit to the prompt payment of the principal of and interest on this note. In the event and to the extent that the Net Revenues are not sufficient to pay the principal of and interest on this note, such principal and interest are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County.

The Authority has reserved the right to issue additional notes of equal standing and parity of lien with this note as to the Net Revenues upon such terms as the Authority may determine.

This note shall be registered as to principal and interest, as provided in the Resolution, in the name of the owner upon the books of the Authority kept for that purpose by the Bank as note registrar and paying agent, and such registration shall be noted on the Registration Grid.

This note is subject to redemption prior to maturity, in whole or in part, on the first Business Day of each month at the option of the Authority, upon at least 14 days notice to the holder hereof, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date. Principal of this note that has been redeemed shall be noted on the Registration Grid and no longer shall be considered outstanding; provided, however, that such principal may be disbursed again to the Authority within the limitations set forth in this note.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the Authority, including this note, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Ingham County Land Bank Fast Track Authority, County of Ingham, Michigan, has caused this note to be executed in its name by the manual signatures of its Chairperson and its Secretary as of this 17th day of April, 2006.

INGHAM COUNTY LAND BANK FAST TRACK
AUTHORITY

By: _____
Chairperson

And: _____
Secretary

SECURITY. The principal of and interest on the Note shall be payable from and are secured by the net revenues of the Authority (the "Net Revenues"), and there is hereby created a lien on the Net Revenues, which lien shall be a statutory lien on the Net Revenues. As additional security, the County of Ingham (the "County") has pledged its full faith and credit to the prompt payment of the principal of and interest on the Note. In the event and to the extent that the Net Revenues are not sufficient to pay the principal of and interest on the Note, such principal and interest are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County. The Authority hereby reserves the right to issue notes of equal standing and parity of lien with the Note as to the Net Revenues upon such terms as the Authority may determine.

USE OF NOTE PROCEEDS; PROJECT FUND. Proceeds of the sale of the Note as received from time to time shall be set aside in a project fund and used to pay Project Costs. Any such proceeds and investment earnings thereon remaining in the project fund at the time of maturity of the Note may be used to pay principal of and interest on the Note.

SALE, ISSUANCE, DELIVERY AND TRANSFER OF THE NOTE. The Chairperson, the Secretary, the Treasurer and the other officers, agents and employees of the Authority are authorized to execute such documents and certificates and to take all other actions necessary and convenient to facilitate the sale and delivery of the Note.

CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

YEAS:

NAYS:

ABSENT:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Directors of the Ingham County Land Bank Fast Track Authority at a regular meeting held on the 3rd day of April, 2006, and that the resolution has been recorded in the minutes of the Board of Directors. I further certify that notice of said meeting was given in accordance with the provisions of the open meetings act.

Secretary
Ingham County Land Bank Fast Track Authority

MOVED BY DELEON SUPPORTED BY SCHOR TO APPROVE THE RESOLUTION.

Ayes: Copedge, DeLeon, Schertzing, Schor. Nay: none. Absent: Hertel, Jr.

The borrowing closing is tentatively scheduled for April 28th at Dickinson Wright law offices in Lansing

c. Limited tax pledge resolution. This resolution for \$1,000,000 is on the County Services agenda April 4, 2006. The Board of Commissioner resolution for \$500,000 that passed earlier is rescinded by this new resolution.

3. Ethics Policy

- a. The County Board of Commissioner’s Ethics Policy was handed out in March.
- b. Resolution to adopt policy.

RESOLUTION TO ADOPT ETHICS POLICIES OF THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

RESOLUTION #06-04

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, (“the Act”) establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and

WHEREAS, Section 4.13 of the Intergovernmental Agreement requires the Board to adopt ethics policies as required under Section 4(9) of the Land Bank Act;

THEREFORE BE IT RESOLVED, that the Authority adopts the Ingham County Board of Commissioners Ethics Policies as amended. Authority member is substituted for each instance of Commissioner.

MOVED BY DELEON SUPPORTED BY SCHOR.

Aye: Copedge, De Leon, Schertzing, Schor. Nay: none. Absent: Hertel, Jr.

4. Disclosure Policy

**RESOLUTION TO ADOPT POLICIES AND PROCEDURES FOR THE DISCLOSURE
OF CONFLICT FOR BOARD MEMBERS AND STAFF OF THE INGHAM COUNTY
LAND BANK FAST TRACK AUTHORITY**

RESOLUTION #06-05

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and

WHEREAS, Section 4.14 of the Intergovernmental Agreement requires the Board to adopt policies and procedures for the disclosure of conflicts of interest as required under Section 4(10) of the Land Bank Act; and

WHEREAS, the previously adopted ethics policy contains language regarding conflicts of interest;

THEREFORE BE IT RESOLVED, that the Authority will operate under the disclosure rules of the Ingham County Board of Commissioners Ethics Policies as amended. Authority member is substituted for each instance of Commissioner.

BE IT FURTHER RESOLVED, that Authority Board members and staff will annual fill out a disclosure form listing their public and private affiliations as is common with non-profit boards.

MOVED BY DELEON SECONDED BY SCHOR.

Aye: Copedge, De Leon, Schertzing, Schor. Nay: none. Absent: Hertel, Jr.

5. Chair's Activity Report

- a. Monthly report handed out
- b. Local government meetings & other discussions

Chair met with the townships of Williamstown, Lansing Charter, Ingham and Stockbridge.

Will be revisiting those units with foreclosed property wearing Treasurer and Land Bank hat.

Chair met with Community Development Corporations in Lansing, the Greater Lansing Housing Coalition and Lansing Housing Commission. Concerned that we are competitors for houses. They were assured that the number of homes fixed up will be increased by Land Bank efforts.

Made presentation to the Landlords of Mid-Michigan which met with a mixed reaction.

- c. Staffing – Contract for Executive Director

Will be brought to next meeting.

Announcements - None

Public Comment - None

MOVED BY SCHOR SUPPORTED BY DELEON TO ADJOURN.

The meeting adjourned at 6:40 p.m.